



**COMMISSAIRE
À L'ÉTHIQUE ET À
LA DÉONTOLOGIE**

**ACTIVITY
REPORT**
2018-2019

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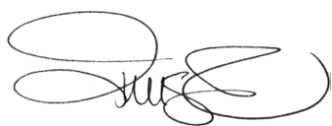
September 16, 2019

Mr. François Paradis
President of the National Assembly
Hôtel du Parlement
1045 Des Parlementaires
1st floor, Suite 1.30
Québec City, QC G1A 1A4

Dear Sir,

I am honoured to present to you the Activity Report of the Ethics Commissioner for the period from April 1, 2018, to March 31, 2019, and the financial statements as of March 31, 2019, in accordance with section 79 of the *Code of ethics and conduct of the Members of the National Assembly* (c. C-23.1).

Sincerely,

A handwritten signature in black ink, appearing to read 'Ariane Mignolet', with a large, stylized flourish at the end.

Ariane Mignolet
Ethics Commissioner

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ETHICS COMMISSIONER'S MESSAGE



I have the privilege of presenting the sixth Ethics Commissioner's activity report for 2018-2019. This report presents the organization's mission, operations and activities for the past year. Its last section presents the financial statements.

The 2018-2019 fiscal year began with the tabling our 2018-2022 Strategic Guidelines in the National Assembly. We have identified training and support for our clientele, communication with the public and the development of our expertise as priorities for this very first strategic planning exercise.

The organization has thus decisively embarked on a new phase of its development, which is also reflected in its overhauled visual identity. At the heart of this organizational image is our new logo, which, with its simple and refined lines, evokes confidence and clarity.

The general elections and the establishment of the 42nd Legislature marked the 2018-2019 fiscal year. These events had a significant impact on our activities in the run-up to the elections. In response to a sharp increase in requests for advisory opinions on post-term rules, we produced guidelines to clarify these questions for all. Then, following the elections, we noted a considerable number of requests for advisory opinions on potential conflicts of interest. This shows that the new parliamentarians are concerned about reconciling ethics and politics, from the very start of their term. An ethics-based reflex is taking hold, and the organization is adapting accordingly.

The current fiscal year was also marked by an increase in requests for inquiries. As a result, 11 requests for inquiries were made and 8 reports were filed between April 1, 2018, and March 31, 2019.

In performing my functions as ethics commissioner, I draw on the support of a strong and enlarged team whose expertise is constantly growing. I thank each and every member of this team. Together, we fulfill the organization's mission and contribute to strengthening a culture of integrity, which is essential to maintaining the public's confidence in its elected officials and institutions. I would also like to take this opportunity to thank the Jurisconsult of the National Assembly, Mr. Jean-Louis Baudoin, for his wise counsel and collaboration, which are crucial to our mission.

A handwritten signature in black ink, appearing to read 'Ariane Mignolet'. The signature is fluid and cursive, with a large loop at the end.

Ariane Mignolet
Ethics Commissioner

JURISCONSULT'S MESSAGE



The year 2019 was marked by a great number of requests for guidance and advice, mainly after the elections. In the vast majority of cases, these requests were made by phone by MNAs who had newly arrived and wished to verify information and clarify eligibility requirements for the assistance program for judicial fee reimbursement.

Four new and ongoing cases were opened. Several involved legal issues relating to the interpretation of the Act respecting the National Assembly and its regulations. Once again, the situation demonstrates the need to review these texts, and to update and better adapt them to current parliamentary practice. In this regard, I would like to thank Me Karine Ruest-Pilote for her help this year with this issue.

Two other cases were closed: one following a settlement between the parties and the other after the claimant's withdrawal.

This year again, I attended the Conflict of Interest Network's annual meeting in September, where some interesting discussions took place. It is remarkable to note that the approach federal and provincial commissioners take to prevalent problems is sometimes quite different, and their solutions can vary considerably. For the ethics commissioner and me, this is a valuable source of information and an incentive to be more critical of the standards we apply.

Once again, I would like to thank everyone at the Office of the National Assembly for their invaluable assistance.

A handwritten signature in black ink, appearing to read 'JL Baudouin', with a horizontal line underneath.

Hon. Jean-Louis Baudouin
Jurisconsult

DATA RELIABILITY STATEMENT

As Ethics Commissioner, I am responsible for the findings and information in this report. I must carry out the institution's mission in accordance with the laws and regulations that govern it. I hereby attest to the accuracy and reliability of the data reported.

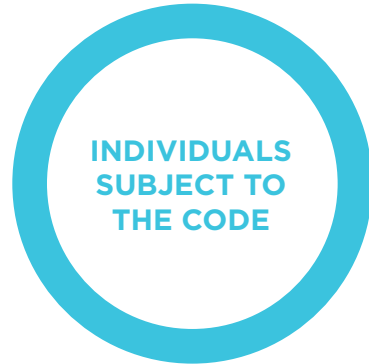
This activity report accurately describes the organization's mission and operation, and presents the results of its various activities, particularly those regarding the implementation of the legislative and regulatory measures under its responsibility. The report also provides information on the financial statements for the period in question.

To my knowledge, the data, information and explanations in this annual activity report reflect the situation of the Ethics Commissioner as of March 31, 2019.



Ariane Mignolet
Ethics Commissioner
Québec City, September 16, 2019

A FEW NUMBERS



125
members

27

of whom are subject to the rules that concern the Conseil exécutif



816
staff members

of the MNAs, Cabinet ministers and House officers of the National Assembly



216
people

were informed and trained



62
citizen requests

92
media requests

6 907
unique visitors to the website



11
inquiry requests
made by MNAs

8
inquiry reports
tabled in the National Assembly



250
advisory opinions delivered
under the Code

146
advisory opinions delivered
under the Rules and Regulation



171 statements received

126 summaries made public



85 statements
submitted by MNAs

42 statements
submitted by staff members

1 gift returned

I. THE ORGANIZATION

Mission and roles

The Ethics Commissioner¹ (hereinafter the “Commissioner”) is an independent authority responsible for enforcing and applying the ethical provisions prescribed by:

- the *Code of ethics and conduct of the Members of the National Assembly* (hereinafter the “Code”)²;
- the *Rules of conduct applicable to the staff of the Members and House Officers of the National Assembly* (hereinafter the “Rules”)³; and
- the *Regulation respecting the rules of conduct applicable to the office staff of Ministers* (hereinafter the “Regulation”)⁴.

The Code, Rules and Regulation set out the ethical principles and rules of conduct that Members of the National Assembly and their staff must observe in carrying out their duties.

In carrying out its mission, the Commissioner fulfills three major roles, namely to:

- **Advise** and **guide** the MNAs and their staff in the fulfilment of their obligations, by providing advisory opinions, offering training, publishing guidelines and ensuring the Members produce the required statements;
- **Conduct inquiries** or verifications when there are reasonable grounds to do so; and
- **Inform the general public** of the rules and what they mean for MNAs and the work of their staff.

Vision and values

The Commissioner plays a key role in promoting a political culture that is respectful of the ethical principles and rules of conduct inherent to a healthy democracy and that benefits both the MNAs and the citizens of Quebec. Integrity, rigour, independence, trust, respect and objectivity guide the organization and its staff in the fulfilment of its mission.

In April 2018, the Commissioner’s institutional guidelines for 2018–2022 were tabled in the National Assembly. These focus on the three priority areas that guide our actions: training and supporting our clientele, communicating with the public, and developing expertise.

1 The Commissioner (with a capital “C”) refers to the organization, while the commissioner (with a lowercase “c”) is used when referring to the person designated by the National Assembly of Québec.

2 CQLR, c. C-23.1.

3 Decision 1690 of the Office of the National Assembly of March 21, 2013.

4 CQLR, c. C-23.1 r. 2.

Clientele

The Commissioner's authority extends to all Members of the National Assembly with regard to the implementation of the **Code**. This includes the Cabinet Ministers. In this regard, anyone who is a member of the Conseil exécutif but not of the National Assembly is deemed to be a Member under the Code.

*As of March 31, 2019, **125** Members of the National Assembly were bound by the provisions prescribed in the Code. Of these, **27** were subject to the rules that specifically concern Cabinet Ministers.*

The **Regulation** applies to ministerial staff, including constituency and regional staff.

The **Rules** apply to the staff of the MNAs and House Officers of the National Assembly, such as the leader, House leader or whip of a parliamentary group. The Rules also apply to staff hired to assist a political party or independent member with research and administrative work.

*As of March 31, 2019, more than **800** political staff members were bound by the provisions prescribed in the Rules and Regulation. Of these **462** were staff of MNAs and of House Officers of the National Assembly, and **354** were ministerial staff.*

DID YOU KNOW?

At the end of their term of office or on termination of their duties, some individuals remain subject to the provisions of the Code, Rules or Regulation. These are "post-term rules." Some of the rules governing the post-term period apply for a specific period, while others apply for an unlimited time. Therefore, our clientele is composed of an ever-increasing number of former Cabinet Ministers and staff members.

Staff

As of March 31, 2019, 10 full-time employees accompanied Ms. Ariane Mignolet in her duties as the commissioner. In addition, the National Assembly provides services for the management of human, material, financial and information resources, as stipulated in Section 74 of the Code.

| Job category | Staff | Female representation | Under the age of 35 |
|-----------------|-----------|-----------------------|---------------------|
| Executives | 1 | 1 | - |
| Public servants | 2 | 2 | 1 |
| Professionals | 8 | 8 | 4 |
| TOTAL | 11 | 11 | 5 |

The Commissioner's professional staff includes seven lawyers, one of whom acts as a coordinator. The lawyers handle requests for advisory opinions from MNAs and their staff concerning real or potential situations. They provide the commissioner with legal opinions, draft opinions and assist her in performing her duties. More generally, they contribute to informing Members and their staff about the Commissioner's role and the application of the Code, Rules and Regulation. Their activities focus on prevention and are strictly confidential.

The lawyers are also responsible for collecting, researching and analyzing facts relevant to a particular situation or a potential violation of the Code. The organization also called upon two external resources for specific needs.

The team of professionals is rounded out by an executive assistant, who is responsible for MNAs services, administrative planning, communications and media relations. The executive assistant closely collaborates with the National Assembly and its various partners.

Organizational expertise has continued to be developed during this fiscal year to more effectively meet the needs of our clientele and the Commissioner's mission. For example, staff received training on commissions of inquiry, administrative inquiries, organizational ethics, election laws and financing rules.

II. Implementation of the Code, Rules and Regulation

To ensure adherence to the provisions set out in the Code, Rules and Regulation, the Commissioner receives and analyzes the various statements required from MNAs and their staff, provides advice and advisory opinions upon request and conducts inquiries when there are reasonable grounds to believe that a violation of the Code may have occurred.

Statements filed by Members of the National Assembly and their staff

Individuals subject to provisions of the Code, Rules and Regulation must send the Commissioner a statement of their private interests and of the gifts, hospitality and other benefits they receive.

Private-interest disclosure statements

Each year, MNAs, including Cabinet Ministers, must file with the Commissioner a disclosure statement of their private interests and those of their family members. The House officers' and Ministers' chiefs must also file such a statement. Their content varies according to the position held.

This personal and financial information is disclosed confidentially to the Commissioner for analysis to prevent real or potential conflicts of interest.

Members must include the following in their private-interest disclosure statements:

- Income and/or benefits
- Immovable property
- Notice of expropriation
- Professional, commercial or industrial activities
- Interests in an enterprise

The Commissioner then produces and publicly publishes a summary for each statement produced by the Members, including those submitted by Cabinet Ministers. The statements of the chiefs of staff are not subject to such a summary.

At the beginning of the 2018–2019 fiscal year, the Commissioner was analyzing the statements filed for 2017. The summaries of the Members' statements were published online in August 2018, and those of the Cabinet Ministers were published the following month, thereby ending the statement analysis process for 2017.

The Commissioner also ensures that all newly elected or appointed persons fulfill this obligation. As prescribed by the Code, Rules and Regulation, the initial statement must be filed within 60 days:

- Following the publication of their election in the *Gazette officielle du Québec* for a Member;
- Following their oath as a member of the Conseil exécutif for a Cabinet Minister;
- Following their appointment as a chief of staff of the National Assembly or of a ministerial office.

Following the general elections of October 1, 2018, the Commissioner collected statements for the 12 months preceding polling day.

The analysis of these statements began in the same fiscal year and continued in the following fiscal year.

*In 2018–2019, the Commissioner collected **171** statements in addition to producing and making public **126** summaries⁵.*

COMPLETED PROJECT - STATEMENT ZONE

The Commissioner launched an online platform that allows MNAs and chiefs of staff to complete their private-interest disclosure statements and those of their family members electronically.

This **Statement Zone** simplifies the administrative process and increases the security of transmitting confidential informations.

Gifts, hospitality and other benefits

A MNA or a member of their staff may accept a gift, hospitality or benefit, provided that it is not offered in exchange for speaking or taking a certain position. In addition, any gift, benefit or token of hospitality that may impair a Member's independence of judgment or compromise his or her integrity or that of the National Assembly must be refused, returned or handed over to the Commissioner by the Member or staff member concerned.

DID YOU KNOW?

All gifts, hospitality and other benefits received and having a value of more than \$200 must be disclosed to the Commissioner

*In 2018–2019, the Commissioner published **85** statements relating to gifts accepted by MNAs. The Commissioner also received **42** statements from staff members of MNAs and Cabinet Ministers. However, these statements are not made public. One Member of the National Assembly also handed over to the Commissioner **a** gift that was received during the current fiscal year. In accordance with the Code, this gift was handed over to the Secretary General of the National Assembly. These statements are not recorded in the public register.*

⁵ Under the Code, the commissioner is also required to file a statement of her private interests and of those of her family members. The summary of this statement is also made public.

Advice and advisory opinions

The Commissioner plays a key role in guiding and advising MNAs. The Code, Rules and Regulation provide a mechanism for consulting with the commissioner. Indeed, Members of the National Assembly and their staff can request a written opinion on any issue concerning their ethical obligations.

The Commissioner also receives many requests for advice and advisory opinions by phone. These are often answered immediately or following a few verifications. For more complex requests, it is recommended to the Member to make a request in writing.

DID YOU KNOW?

MNAs may also request advisory opinions from the **Jurisconsult of the National Assembly**. The latter is appointed unanimously by the Office of the National Assembly. These advisory opinions are, however, not binding for the Commissioner.

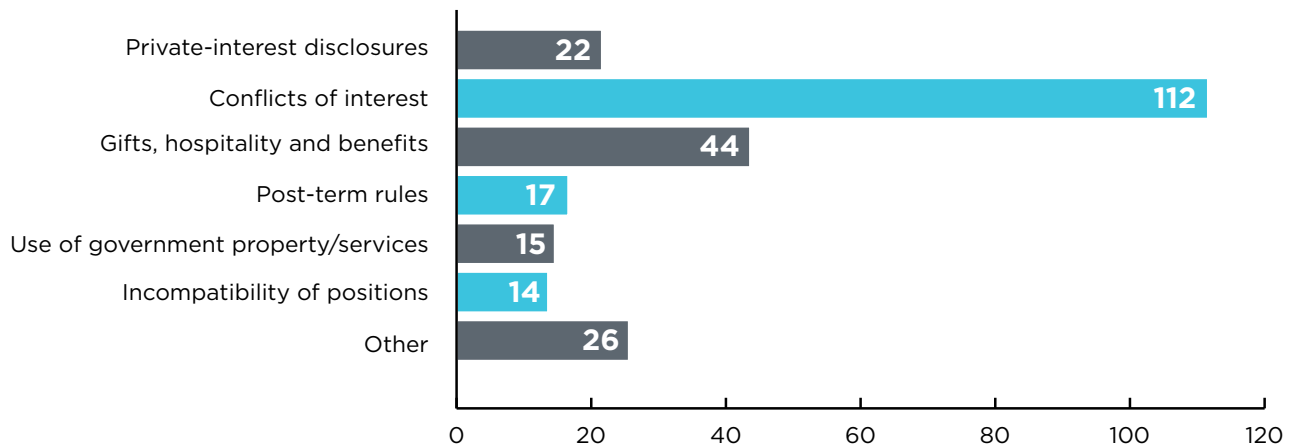
Written advisory opinions formulated by the Commissioner are confidential and must be provided to MNAs within 30 days of their request. Although the Code does not specify a deadline for political staff members' requests, the Commissioner also strives to deliver these opinions within 30 days.

*In 2018-2019, the average time to produce written opinions was **16 days** for opinions requested by MNAs and **23 days** for those requested by members of their staff.*

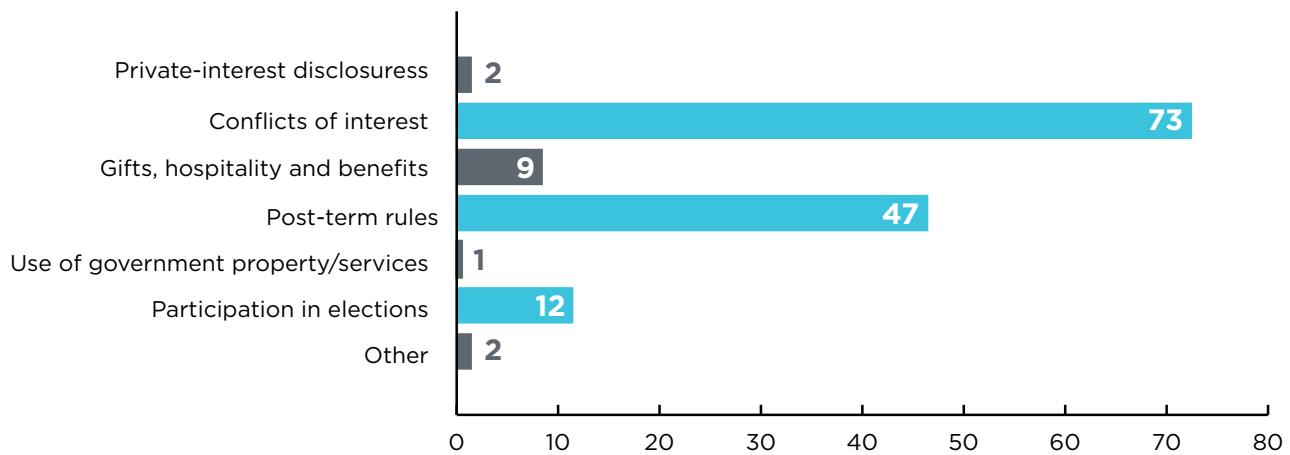
The following table and charts compile the requests the Commissioner received during the 2018-2019 fiscal year.

| Consultations and requests for information and opinions | Verbal advice and opinions | Written opinions | Total |
|--|----------------------------|------------------|------------|
| From Members of the National Assembly | 203 | 47 | 250 |
| From staff members of the MNAs and House Officers of the National Assembly and Cabinet Ministers | 106 | 40 | 146 |
| TOTAL | 309 | 87 | 396 |

Advisory opinions issued under the Code (by subject)



Advisory opinions issued under the Rules and Regulation (by subject)



Inquiries

The commissioner may begin an inquiry on her own initiative or at the request of an MNA.

For **inquiries concerning Members of the National Assembly**, requests can be made by any MNA who has reasonable grounds to believe that the rules of the Code have been violated.

For **inquiries concerning political staff**, requests must be made by the Cabinet Minister or MNA with whom the political staff member works or the leader of the party to which the staff member belongs. The requesting party must have reasonable grounds to believe that the rules of the Code have been violated.

When verifying if the Code was violated, whether the commissioner conducts an inquiry on her own initiative or at the request of an MNA, the commissioner carefully considers and analyzes all the elements received. She verifies all the facts and circumstances brought to her attention and analyzes these based on the values of the National Assembly, the ethical principles and the rules of conduct. These verifications are done in a way that ensures confidentiality, objectivity and impartiality.

Once the inquiry is complete, the commissioner promptly submits a reasoned inquiry report to the President of the National Assembly, who shall table the report and make it public. However, the commissioner is not required to produce a report for inquiries conducted on her own initiative.

DID YOU KNOW?

Inquiries are conducted in private. However, the Commissioner may confirm that a request was received or that a verification or an inquiry is under way or has been completed.

Inquiry reports are available in the “Publications” section of the Commissioner’s website.

Requests submitted

In 2018–2019, 11 requests for an inquiry concerning a Member of the National Assembly were submitted to the Commissioner under Section 91 of the Code. Of these, two were inquiries conducted after the dissolution of the National Assembly. Under the circumstances, given the dissolution of the Legislature and the fact that the term of the MNAs of the 41st Parliament had expired, Section 91⁶ of the Code could not be applied.

6 Section 91 of the Code provides that an MNA who has reason to believe that a violation may have been committed by another MNA may request that the Commissioner conduct an inquiry.

Inquiry reports tabled in the National Assembly

During the same period, eight inquiry reports were tabled in the National Assembly. For four of these, the commissioner concluded that the inquiry request was unfounded and thus terminated the process. The commissioner concluded that no violation had occurred in three inquiries, while the commissioner concluded that a violation had indeed occurred for the eighth inquiry, and thus recommended a sanction.

DID YOU KNOW?

Under the Code, elected officials have the responsibility to adopt the Commissioner's reports that include a sanction recommendation. The sanction is only applied if the report is adopted by two-thirds of the Members of the National Assembly. Otherwise, the recommendation will not be acted upon.

The inquiry reports tabled during this fiscal year are as follows:

| Date tabled | Date tabled | Details |
|--------------------|---|---|
| June 5, 2018 | Mr. Pierre Paradis, MNA for Brome-Missisquoi | Violations of Sections 6, 16 and 36 of the Code. Sanction recommended by the commissioner, report not adopted |
| July 5, 2018 | Mr. Gaétan Barrette, MNA for La Pinière | No violation |
| August 22, 2018 | Mr. André Lamontagne, MNA for Johnson | No violation |
| September 27, 2018 | Mr. François Bonnardel, MNA for Granby | Process terminated, request for inquiry unfounded |
| September 27, 2018 | Mr. Éric Caire, MNA for La Peltrie | Process terminated, request for inquiry unfounded |
| November 5, 2018 | Ms. Nathalie Roy, MNA for Montarville | Process terminated, request for inquiry unfounded |
| December 6, 2018 | Mr. François Legault, MNA for L'Assomption | Process terminated, request for inquiry unfounded |
| February 25, 2019 | Mr. Jean-François Lisée, MNA for Rosemontt | No violation |

III. Communication, Training, Awareness-Raising and Institutional Relations Activities

Besides implementing the Code, Rules and Regulation, the Commissioner takes part in various training, communication and collaboration activities related to the organization's mission.

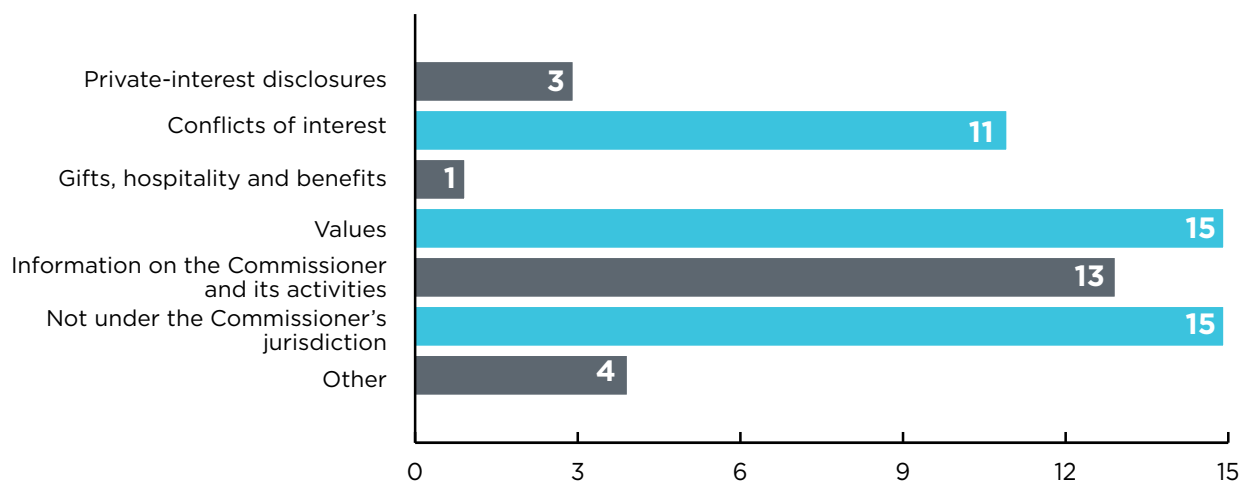
Communications with the public and the media

The Commissioner is called upon regularly to respond to citizens' and the media's information requests.

Throughout the 2018–2019 fiscal year, the Commissioner responded to 62 information requests from the public. Generally speaking, citizens contact the organization to ask for explanations, express their opinion on a topical issue or inquire about a Member's or a Minister's behaviour.

The Commissioner provides clarifications about the rules in effect but never comments on specific cases. When requests are not under the Commissioner's jurisdiction, the organization directs citizens toward the appropriate authorities whenever possible.

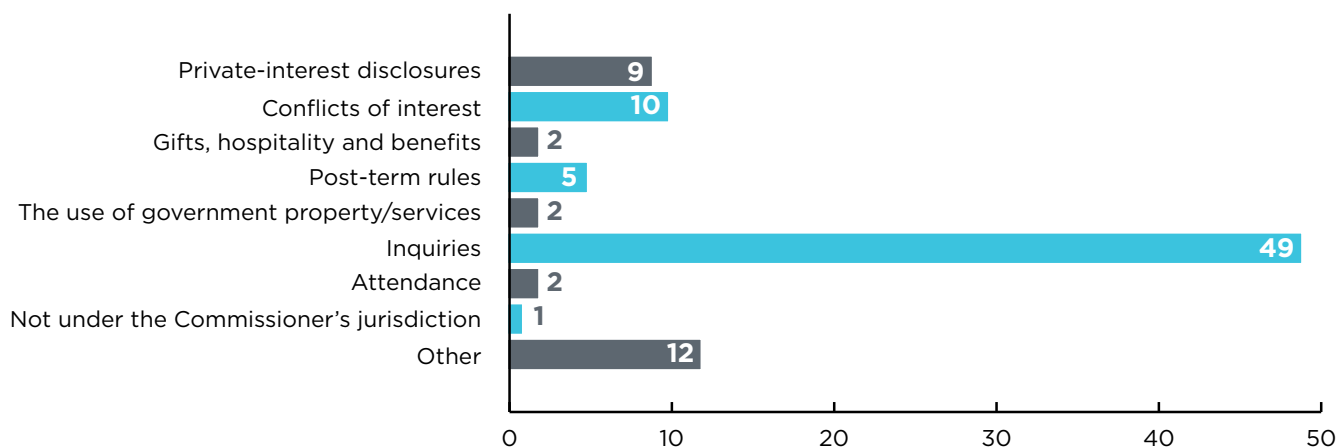
Requests from citizens (by subject)



During this period, the Commissioner also responded to 92 requests from the media. Inquiries were again the dominant topic.

Although part of the Commissioner's mission is to inform the media, the Commissioner must also strictly respect the absolute confidentiality imposed by the legislator.

Requests from the media (by subject)



COMPLETED PROJECT - WEBSITE REDESIGN

To improve access to information concerning the Code, Rules and Regulation and to raise awareness about the organization's mission, the Commissioner completed its website redesign, a project initiated in the previous fiscal year.

This year, 6,907 unique visitors accessed the website. The most visited pages were "About," "Public Registers" and "News."

Public education and awareness activities

The Commissioner relies on training activities to raise awareness of ethical values among the Members of the National Assembly and their political staff. To this end, it offers general in-person or webinar-based training programs to newly elected MNAs and their teams. This is a key element in the prevention of conflicts of interest.

Training and awareness-raising tools also included the publication of guidelines. In May 2018, the Commissioner published and disseminated guidelines on post-term rules that apply to the members of the Conseil exécutif and their political staff who no longer hold office or who are beginning a process to assume other duties.

In addition, the commissioner takes part in certain activities to promote public knowledge of the organization and the applicable ethical rules. This year, she gave a presentation to the interns at the Jean-Charles-Bonenfant Foundation, undergraduate students in the Droit et procédures parlementaires [parliamentary law and procedure] course, master's students in the Éthique et administration publique [ethics and public administration] class and the representatives of the National Assembly of Chad and of the Parliament of Victoria, Australia.

*In 2018–2019, **147** Members of the National Assembly and their political staff members took part in **12** training activities. In addition, **69** people were introduced to the inner workings of the organization, its mission and main activities.*

Collaboration with the academic community

Considering that research and reflexivity are essential to developing and strengthening public bodies, the Commissioner continues to work closely with academic stakeholders.

Exchanges between the Commissioner and the Research Chair on Democracy and Parliamentary Institutions at Université Laval are continuing for a second year, as a result of a partnership established in 2017. This agreement with the Chair covers several forms of participation, including the development of a research project and participation in knowledge-transfer activities organized by the Chair.

In addition, a new collaborative project was launched in 2018–2019 with Professor Martine Valois in the Faculty of Law at Université de Montréal concerning a research project on the nature, role and powers of the Commissioner.

Annual conference of the Canadian Conflict of Interest Network

The Canadian Conflict of Interest Network consists of ethics commissioners from the various Canadian jurisdictions. As a member, the commissioner participates in the Network's annual conferences to discuss topics of common interest and to share best practices.

This year's conference was held from September 5 to 7, 2018, in St. John's, Newfoundland and Labrador. The commissioner was invited to speak on the issues arising from a legislative assembly's power to review inquiry reports.

In addition to various roundtables on the latest developments throughout the country, the commissioners discussed many topics, including the duty to inform and raise awareness in a confidential setting, intimidation and harassment in the legislative environment and the power to recommend or order penalties.

Development of a Francophone network project on parliamentary ethics and conduct

In 2017–2018, the commissioner had the opportunity to pursue discussions about such a network. During the 2018–2019 fiscal year, several milestones were reached.

The Parliamentary Affairs Committee (PAC) tabled its report on ethics officers and codes of ethics in Francophone parliaments in the Assemblée parlementaire de la Francophonie (APF). Following this, a resolution on parliamentary ethics and conduct in the Francophone parliamentary world was adopted by the latter in July 2018.

A workshop involving a dozen stakeholders was held in Québec City and led to setting up a working committee tasked with forming this network.

Such a network is an opportunity to help reflect on common issues and to promote best practices within the democratic institutions of the Francophone community. The “Réseau francophone de l'éthique et de la déontologie parlementaires” is expected to be officially launched in the upcoming fiscal year.

Participation in the annual conference of the Council on Governmental Ethics Laws

Two representatives from the Commissioner took part in the 40th Council on Governmental Ethics Laws (COGEL), which was held in Philadelphia from December 9 to 12, 2018. COGEL is a professional organization of several hundred North American professionals from agencies and organizations responsible for or concerned about governmental ethics, elections, freedom of information and lobbying.

In addition to participating in several thematic workshops on ethics, the Commissioner's representatives had the opportunity to discuss inquiries, communications and the use of new technologies in the workplace.

IV. FINANCIAL STATEMENTS

Management report

The Commissioner's financial statements were prepared by management, which is responsible for their preparation, presentation and the estimates and judgments included therein, and for choosing appropriate accounting policies, in accordance with the Public Sector Accounting Standards.

To fulfill its mandate, management maintains a system of internal controls to provide reasonable assurance that assets are safeguarded and that transactions are properly approved and accurately recorded in a timely basis and result in reliable financial statements.

As Ethics Commissioner, I recognize that I am responsible for conducting my affairs in accordance with the statutes and regulations governing my office.

A handwritten signature in black ink, appearing to read 'Ariane Mignolet', with a large, stylized flourish at the end.

Ariane Mignolet
Ethics Commissioner
Québec City, September 16, 2019

Operations and accumulated surplus for the fiscal year ended March 31, 2019

(in thousands of dollars)

| | | 2019 | 2018 |
|---|--------------------|----------------|----------------|
| | Budget (Note 3) | Results | Results |
| Revenue (Note 4) | 1,594.1 | 1,242.4 | 1,033.9 |
| Expenses | | | |
| Remuneration | 1,003.0 | 941.4 | 756.0 |
| Transportation and representation | 35.4 | 15.1 | 18.5 |
| Telecommunications | 10.0 | 8.6 | 8.2 |
| Professional, administrative and other services | 405.7 | 161.6 | 139.0 |
| Rent and other rental payments | 110.0 | 103.8 | 97.1 |
| Materials and supplies | 15.0 | 11.9 | 15.1 |
| Expenses using appropriations | 1,579.1 | 1,242.4 | 1,033.9 |
| Amortization of tangible capital assets | 33.0 | 26.8 | 26.8 |
| | 1,612.1 | 1,269.2 | 1,060.7 |
| Annual deficit | (18.0) | (26.8) | (26.8) |
| Accumulated surplus at beginning of year | | 95.9 | 122.7 |
| Accumulative surplus at end of year | | 69.1 | 95.9 |

The notes are an integral part of these financial statements.

Financial position as at March 31, 2019

(in thousands of dollars)

| | 2019 | 2018 (reclassified) ¹ |
|---|-------------|-------------------------------------|
| Financial assets | | |
| Cash entitlement | 13.1 | 17.8 |
| | 13.1 | 17.8 |
| Liabilities | | |
| Accounts payable and accrued liabilities (Note 5) | 13.1 | 17.8 |
| | 13.1 | 17.8 |
| Net debt | - | - |
| Non-financial assets | | |
| Tangible capital assets (Note 6) | 69.1 | 95.9 |
| | 69.1 | 95.9 |
| Accumulated surplus (Note 7) | 69.1 | 95.9 |
| Contractual obligations (Note 8) | | |

The notes are an integral part of these financial statements.

¹ Some data for 2017-2018 have been reclassified to conform to the presentation adopted on March 31, 2019.

Change in net debt for the fiscal year ended March 31, 2019

(in thousands of dollars)

| | | 2019 | 2018 |
|---|--------------------|---------------|---------------|
| | Budget (Note 3) | Results | Results |
| Annual deficit | | (26.8) | (26.8) |
| Change due to capital assets: | | | |
| Acquisition of tangible capital assets | (15.0) | - | - |
| Amortization of tangible capital assets | 33.0 | 26.8 | 26.8 |
| Change in net debt | (18.0) | - | - |
| Net debt at beginning of year | | - | - |
| Net debt at end of year | | - | - |

The notes are an integral part of these financial statements.

Cash flow statement for the fiscal year ended March 31, 2019

(in thousands of dollars)

| | 2019 | 2018 (reclassified) ¹ |
|---|--------------|-------------------------------------|
| Operating activities | | |
| Annual deficit | (26.8) | (26.8) |
| Non-cash items: | | |
| Amortization of tangible capital assets | 26.8 | 26.8 |
| Change in operating assets and liabilities: | | |
| Accounts payable and accrued liabilities | (4.7) | (12.7) |
| Cash flows from operating activities | (4.7) | (12.7) |
| Tangible capital asset investment activity | | |
| Acquisition of tangible capital assets | - | - |
| Change in cash entitlement | (4.7) | (12.7) |
| Cash entitlement at beginning of year | 17.8 | 30.5 |
| Cash entitlement at end of year | 13.1 | 17.8 |

The notes are an integral part of these financial statements.

¹ Some data for 2017-2018 have been reclassified to conform to the presentation adopted on March 31, 2019.

Notes to the financial statements

March 31, 2019

(in thousands of dollars)

1. Nature of the operations

The Commissioner is an independent authority responsible for enforcing and applying the ethical principles and rules guiding the conduct of the Members of the National Assembly and their staff. These obligations are set out in the *Code of ethics and conduct of the Members of the National Assembly* (the “Code”) (CQLR, c. C-23.1), the Rules of Conduct applicable to the staff of MNAs and House Officers of the National Assembly (the “Rules”) (Decision 1690 of the Office of the National Assembly of March 21, 2013) and the *Regulation respecting the rules of conduct applicable to the office staff of ministers* (the “Regulation”) (CQLR, c. C-23.1 r. 2).

To fulfill its mission, the Commissioner advises and guides the Members of the National Assembly and their staff in the fulfilment of their obligations by providing advisory opinions, offering training, ensuring the MNAs produce the required statements and publishing guidelines to prevent conflicts of interest, among other things.

At the request of an MNA or on her own initiative, the commissioner may conduct a verification or an inquiry to determine whether a violation of the Code, Rules or Regulation may have occurred. When she intervenes under the Code, she submits an inquiry report to the President of the National Assembly. If the commissioner concludes that the MNA has violated the Code, she may recommend a sanction be imposed.

The Commissioner informs the general public of the rules and their meaning, as they relate to the work of the Members of the National Assembly and Members’ staff.

The Commissioner is funded through annual appropriations granted by the National Assembly and is not subject to federal and provincial income tax laws.

2. Main accounting policies

a) Accounting standards

For the purposes of preparing its financial statements, the Commissioner primarily uses the *CPA Canada Public Sector Accounting Handbook*. Any other generally accepted accounting principles used must be consistent with the Handbook.

Notes to the financial statements March 31, 2019

(in thousands of dollars)

2. Main accounting policies (continued)

b) Use of estimation

Preparing the Ethics Commissioner's financial statements according to Canadian public sector accounting standards requires management to make significant estimates and judgements. These have an impact on reporting assets and liabilities, presenting contingent assets and liabilities as at the date of the financial statements, and reporting revenues and expenses for the period presented in the financial statements. The main element requiring the use of estimates is the service life of tangible capital assets. Actual results may differ from management's best estimates.

c) Revenue

Revenue is accounted for using the accrual method, that is, in the fiscal year in which the operations or events giving rise to it occur. Parliamentary appropriations are recognized as revenue when authorized and when all eligibility criteria are met.

Assets

d) Cash entitlement

The financial transactions of the Commissioner were effected through the general fund of the Government of Québec's Consolidated Revenue Fund. The cash entitlement represents the amount of cash the Commissioner is entitled to draw from the general fund to discharge his or her obligations out of the appropriations granted to him or her.

Notes to the financial statements

March 31, 2019

(in thousands of dollars)

2. Main accounting policies (continued)

Non-financial assets

By their nature, non-financial assets are generally used to provide future services.

e) Tangible capital assets

Tangible capital assets are recorded at cost and are amortized on a straight-line basis over their estimated service lives:

| Category | Duration |
|-------------------------|----------------|
| Leasehold improvements | 10 years |
| Materials and equipment | 5 and 10 years |
| Computer equipment | 3 years |

When conditions indicate that a tangible capital asset no longer contributes to the capacity to provide goods and services, or the value of the future economic benefits associated with the tangible capital assets is less than its net book value, its cost is reduced to reflect its decline in value. Capital losses on tangible capital assets are reflected in the book figures for the year. No reversal of allowance for impairment is recorded.

f) Inter-entity transactions

Inter-entity operations are those entered into between entities controlled by or subject to joint control by the Government of Québec.

The cost of certain support services is borne by the National Assembly of Québec and is not recognized in the results of the fiscal year.

3. Budget

Prepared by the Commissioner, the detailed budget was approved by the Office of the National Assembly on April 12, 2018.

Notes to the financial statements

March 31, 2019

(in thousands of dollars)

4. Revenues

The Commissioner is funded by annual parliamentary appropriations.

| | 2019 | 2018 (reclassified) ¹ |
|---|----------------|-------------------------------------|
| Parliamentary appropriations | | |
| Initial | 1,394.1 | 1,187.7 |
| Additional appropriations for the current financial year ² | 200.0 | - |
| Lapsed | (351.7) | (153.8) |
| | 1,242.4 | 1,033.9 |

¹ Some data for 2017-2018 have been reclassified to conform to the presentation adopted on March 31, 2019.

² The Commissioner obtained additional parliamentary appropriations in the amount of \$200,000 for professional services.

5. Accounts payable and accrued liabilities

| | 2019 | 2018 |
|----------------------|-------------|-------------|
| Suppliers and others | 8.9 | 2.0 |
| Salaries | 4.2 | 15.8 |
| | 13.1 | 17.8 |

Notes to the financial statements

March 31, 2019

(in thousands of dollars)

6. Tangible capital assets

| | | | | 2019 | 2018 |
|---------------------------------|------------------------|-------------------------|--------------------|--------------|--------------|
| | Leasehold improvements | Materials and equipment | Computer equipment | Total | Total |
| Cost of capital assets | | | | | |
| Opening balance | 233.4 | 71.6 | 17.3 | 322.3 | 322.2 |
| Acquisitions | - | - | - | - | - |
| Adjustments | - | - | - | - | 0.1 |
| Closing balance | 233.4 | 71.6 | 17.3 | 322.3 | 322.3 |
| Accumulated amortization | | | | | |
| Opening balance | 147.8 | 62.5 | 16.1 | 226.4 | 199.5 |
| Amortization for the year | 23.4 | 2.6 | 0.8 | 26.8 | 26.8 |
| Adjustments | - | - | - | - | 0.1 |
| Closing balance | 171.2 | 65.1 | 16.9 | 253.2 | 226.4 |
| Net book value | 62.2 | 6.5 | 0.4 | 69.1 | 95.9 |

| | 2019 | 2018 |
|--|--------|--------|
| Initial budget for tangible capital assets | 15.0 | 15.0 |
| Acquisitions in the fiscal year | - | - |
| Lapsed parliamentary appropriations | (15.0) | (15.0) |

Notes to the financial statements March 31, 2019

(in thousands of dollars)

7. Accumulated surplus

The accumulated surplus is invested in tangible capital assets.

8. Contractual obligations

The Commissioner leases premises from the Société québécoise des infrastructures under an occupancy agreement ending October 31, 2021. The prices in the table are estimates. A new three-year cycle will be implemented starting in 2020–2021.

In addition, the Commissioner's activities may give rise to contracts and obligations whereby the Commissioner will be required to make payments over several years for the acquisition of goods and services or for the development of research in its field.

Contractual obligations for the upcoming years are as follows:

| | Lease agreements | Research support | Total |
|-----------|------------------|------------------|-------|
| 2019-2020 | 107.5 | 5 | 112.5 |
| 2020-2021 | 110.3 | 11.4 | 121.7 |
| 2021-2022 | 64.4 | 5 | 69.4 |

9. Related-party transactions

For accounting purposes, the Commissioner is related to all entities controlled by the Québec Government or subject either to joint control. The Ethics Commissioner is also related to its commissioner, her close relatives, and the entities over which she has the power to govern the financial and administrative decisions.

No transactions have been concluded between the Ethics Commissioner and its commissioner, her close relatives or the entities over which she has the power to govern the financial and administrative decisions.

The cost of certain support services is borne by the National Assembly of Québec and is not reported as income for the year. The Commissioner has not entered into any other significant related-party transactions at a value different from that which would have been established if the parties were unrelated.

Division de la reprographie et de l'imprimerie
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Paper made in Québec

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