

**YUKON
CONFLICT OF INTEREST COMMISSION**

**ANNUAL REPORT
TO THE LEGISLATIVE ASSEMBLY
FOR THE PERIOD FROM 1 APRIL 2011 TO 31 MARCH 2012**

**David Phillip Jones, Q.C.
Commissioner
22 June 2012**

**Yukon
Conflict of Interest Commission**

ANNUAL REPORT

**to the Legislative Assembly
for the period from 1 April 2011 to 31 March 2012**

This is my tenth Annual Report as a member of the Conflict of Interest Commission, and covers the period from 1 April 2011 to 31 March 2012.

A. JURISDICTION OF THE COMMISSION

The Conflict of Interest Commission receives its authority under the following provisions:

- Section 7 of the *Legislative Assembly Act* requires Members of the Legislative Assembly to make full public disclosure of their private interests (including the private interests of their immediate families). To facilitate discharging this obligation, Members are required to file a disclosure statement on or before April 30th each year with the Clerk of the Legislative Assembly, and to keep that disclosure statement up to date. I receive and review copies of the disclosure statements as filed, and the disclosure statements are available in the Clerk's office for public inspection.
- The *Conflict of Interest (Members and Ministers) Act* (the "Act") defines what constitutes a conflict of interest; prohibits Members and Ministers from discharging any official function where there is an opportunity—or the reasonable appearance of an opportunity—for the Member or Minister to further his or her own private interest; defines and prohibits an abuse of office; regulates allowable fees, gifts and benefits; requires a copy of Members' and Ministers' disclosure statements to be provided to the Conflicts Commissioner; prohibits a Member or Minister from being involved in any matter in which he or she has a conflict of interest; prohibits Ministers from certain business and employment activities; prohibits former Ministers from accepting contracts with the Government for a six-month period after leaving office; permits the Premier to make rules about conflicts of interest for Ministers (which section 15 identifies as

those contained in the following bullet, until replaced); permits those covered by the legislative scheme to seek advice (which is usually confidential) from the Conflicts Commissioner about whether they are or would be in conflict of interest; prescribes what is to occur if a Member or Minister is in conflict of interest; provides for complaints by a Member against another Member or Minister, and authorizes the Conflicts Commissioner to investigate such complaints to determine whether a conflict of interest has occurred and if so thereafter to make recommendations to the Legislative Assembly about what action (if any) is to be taken in those circumstances; and, whenever a formal complaint has been made, requires the Conflicts Commissioner to determine whether there was a reasonable basis for the Member to have made such a complaint, and if not authorizes the Legislative Assembly to take certain action against the Member making such a complaint.

- The rules of conduct for Ministers, as identified in section 15(1) of the *Conflict of Interest (Members and Ministers) Act*, namely:
 - Schedule B to Order-in-Council 1981/85 contains the Code of Ethics for members of the Executive Council.
 - The *Executive Council Code of Conduct Regarding Conflict of Interest*, which was revised in November 2011, prohibits Ministers and the direct members of their families from entering into certain contracts with the Yukon Government; restricts their purchasing land from or selling land to the Yukon Government; and requires Ministers to file a separate ministerial disclosure statement with the Clerk of the Legislative Assembly.
 - The *Ministerial Gift Policy* established by Cabinet to take effect on October 19, 1994.

The *Act* contemplates that these rules may be superseded and new rules filed with the Conflict of Interest Commission.

- Part 13 of the *Public Service Act* permits Cabinet to make rules dealing with conflicts of interest for Deputy Heads, which section 214(7) prescribes to be the following (until superseded):
 - The *Conflict of Interest Policy*, Policy 3.39 in the General Administration Manual, made October 27, 1994.
 - The *Directive on Post-Employment Restrictions*, Policy 1.14 in the General Administration Manual, made April 1, 1996.

To date, no other rules have been made and filed with the Conflict of Interest Commission with respect to Deputy Heads.

- Part 4 of the *Cabinet and Caucus Employees Act* prohibits these employees from discharging any function where there is an opportunity—or the reasonable appearance of an opportunity—for the employee to further his or her own private interest; prohibits certain business and employment activities; provides for advice from the Conflict of Interest Commission; provides for party leaders to make rules of conduct.

To date, no rules of conduct have been filed with the Conflict of Interest Commission. Accordingly, section 19 of the *Cabinet and Caucus Employees Act* provides that the only applicable rules are:

- For cabinet employees, the *Directive on Post-Employment Restrictions*, Policy 1.14 in the General Administration Manual, made April 1, 1996.

B. ACTIVITIES DURING THE PERIOD FROM 1 APRIL 2011 TO 31 MARCH 2012

(1) Meeting with MLAs after the October Election

As has been my practice after an election, in October I met with all of the new and returning MLAs to discuss the requirements of the conflict of interest provisions and their particular circumstances. This practice has been helpful in orienting new Members to their obligations, as well as making a personal connection so they know who I am and that they can always call for advice or if they have any questions. It has also allowed me to provide advice to potential Cabinet Ministers about the additional conflict of interest provisions which are applicable to Ministers.

(2) Filing of Annual Disclosure Statements

All of the requisite disclosure statements were filed on time with the Clerk, and copies were provided by the Clerk's office to me.

This includes the statements which were required to be filed by 30 April 2011 by Ministers and the Members of the previous Legislative Assembly. It also includes the statements which were required to be filed by Ministers who were newly appointed after the election. Although subsequent to the time period covered by this report, I also confirm that the

Members' and Ministers' statements which were required to be filed by 30 April 2012 were filed on time.

(3) Advice during the year

Throughout the year under review, various Members and Ministers sought my advice about whether a particular matter would or would not constitute a real or apparent conflict of interest, and if so what steps needed to be taken to avoid such a conflict.

Except as provided in section 24 of the *Act*, the Conflict of Interest Commission must keep confidential both the fact that anyone has made a request for advice, as well as the resulting advice.

Section 24 provides only two exceptions to the Commission's obligation of confidentiality:

- (a) if the Member or Minister consents in writing to the disclosure of the advice or the fact that the Member or Minister asked for advice; and
- (b) if the Member or Minister represents that he or she has acted in accordance with this advice, and any other Member asks the Commission to disclose the request and the advice given.

The right to confidentiality belongs to the Member or Minister seeking the advice, and can be waived by the Member or Minister explicitly or by representing that he or she has acted in accordance with my advice. Apart from these two exceptions, I am not able to breach the Member or Minister's statutory right to confidentiality.

Notwithstanding this statutory confidentiality provision, I have from time to time received inquiries from other Members, the press and others about whether I have provided any advice to a certain Member and if so what was the content of that advice. Given the wording of section 24, I am bound not to reply to these inquiries, although I have tried to explain the confidentiality provision to those who have contacted me.

In some previous cases, the Member or Minister has made the decision to publicly release my advice.

(4) Requests by the Government Leader for Advice

In addition to permitting Members to request *advice* about whether his or her own situation would or would not constitute a conflict of interest, section 17(b) of the *Act* permits the Premier to request the Conflicts Commission to provide advice about whether a Minister or former Minister is or would be in a conflict of interest. This advice is normally private,

but on a number of previous occasions the Premier has publicly stated that he has requested such advice and has undertaken to make the advice public.

After the October 2011 election, the Premier asked for my advice about proposed changes in the *Executive Council Code of Conduct Regarding Conflict of Interest*, which were subsequently implemented in November 2011.

(5) Complaints by a Member

Section 17(b) of the *Act* permits a Member (not a member of the public) to make a *complaint* to the Commission that another Member or Minister is or was in a conflict of interest.

The Commission is required to investigate such a complaint, and has the powers and privileges of a board of inquiry under the *Public Inquiries Act* in conducting such an investigation (including the obligation to inform the Member or Minister of the particulars of the complaint, and to give the affected person reasonable opportunity to make representations in response thereto).

Under section 23, the Commission must report its finding to the Legislative Assembly about whether the Member or Minister is or was in conflict of interest with respect to the matter raised in the complaint. If the Commission finds that there is or was a conflict of interest, the Commission must provide its recommendation to the Legislative Assembly about what action the latter should take (section 23). The actions which the Legislative Assembly may take are: (a) stipulating how the Member or Minister is to remove the conflict; and (b) suspending the Member or Minister from sitting in the Assembly or any committee thereof.

At the end of its investigation into a complaint, the Commission must also make a determination about whether the complaining Member had reasonable grounds for making the complaint (section 23(6)), and report that determination to the Legislative Assembly. In an appropriate case, the Legislative Assembly may find the complaining Member in contempt of the Assembly and suspend the complaining Member from sitting in the Assembly or any committee thereof.

As will be appreciated, the making of a formal complaint is a serious matter, which puts into play a formal and potentially costly investigation process, and which may result in serious and public consequences to either the Member or Minister complained against or the Member making the complaint. Accordingly, Members and Ministers are well advised to take considerable care to arrange their affairs so as to avoid a conflict of interest (“an ounce of prevention is worth a ton of cure”); and Members will think carefully before making a formal complaint against another Member or Minister.

There have been no complaints or investigations during the period covered by this report.

(6) Deputy Heads, Cabinet Staff and Caucus Staff

Part of my duties involve Deputy Heads of Departments, Cabinet Staff, and Caucus Staff. Throughout the year, I received various inquiries from persons in these groups, and provided advice to them.

(7) Meeting of the Canadian Conflict of Interest Network

In September 2011, the annual meeting of the Canadian Conflict of Interest Network (“CCOIN”) took place in Victoria.

CCOIN brings together all of the federal, provincial and territorial conflict of interest commissioners. The annual meeting provides an excellent opportunity to meet the other commissioners, to learn how other jurisdictions are dealing with common and emerging issues, and builds relationships that are regularly used to help individual commissioners address issues which arise in their respective jurisdictions. In short, CCOIN is a very important organization for sharing knowledge and mutual support among the Canadian conflict of interest commissioners.

C. OBSERVATIONS ABOUT THE LEGISLATION

As I have mentioned in previous reports, it is important to remember that not all concerns about the appropriateness of a Member or Minister’s actions constitute a conflict of interest (either as defined in the Yukon legislation, or more generally at law or in parliamentary practice).

In previous reports, I have raised the question about whether amendments to the legislation might be considered. It was originally enacted in 1995 and amended in 1999 to cover Deputy Heads and Cabinet and Caucus Employees. Concepts about what constitutes a conflict of interest do evolve over time.

For example, more recent versions of corresponding legislation in some other jurisdictions provide protection for whistleblowers and create a system for registering lobbyists.

In addition to these two broader areas, some possible areas which might be clarified include:

- A definition of what a “private interest” does not include—perhaps along the lines of the definition in Nunavut’s *Integrity Act*, which excludes anything of general application to the public, or that affects a person as one of a broad class of persons, or concerns the remuneration or benefits of a Member, officer or employee of the Legislative Assembly. It might also be helpful to

provide some discretion to the Conflict of Interest Commissioner to determine that a particular “private interest” is insubstantial and should not create a conflict of interest.

- How far public disclosure has to be made by a shareholder in a private corporation with respect to the ownership and affairs of its subsidiaries or affiliates.
- Whether there should be an obligation to meet at least annually with the Commissioner.
- Whether there should be special provision in the legislation for a Special Commissioner for cases where the Commissioner cannot act, and for an Acting Commissioner.
- Whether there should be the ability for the Commissioner to refuse to investigate a complaint which is frivolous or vexatious.
- What should be the policy for archiving or destroying the Commission’s records.
- Whether there should be provision for paying the costs incurred by Members or Ministers in complying with the Act (such as establishing a blind trust).
- Whether there should be provision for paying costs by or to Members or Ministers as a result of complaints.
- Whether there should be a statutory requirement for periodic reviews of the legislation.

In my respectful opinion, these are issues which the Legislative Assembly should consider at some point in the not too distant future to ensure that the concepts in the legislation correspond to the current expectations of both the Members and the public.

Having said this, in my observation the present system is working well, largely because Members, Ministers, and Deputy Heads are very much aware of their obligation to avoid actual and reasonably perceived conflicts of interest, and regularly seek advice in advance about whether they might be in conflict of interest and how that can be avoided.

E. ACKNOWLEDGMENTS

I would again like to publicly thank the Clerk of the Legislative Assembly, Dr. Floyd McCormick, and his staff, Sue MacDonald and Helen Fitzsimmons, for their very able, willing, effective and cheerful assistance to me—and to Members, Ministers, Deputy Heads, cabinet and caucus employees—in the administration of the conflict of interest legislation. I would also like to thank my assistant, Linda Volz, in my office in Edmonton for her support to me in performing this function.

For the system to work well, it is important for everyone involved to keep the guiding principle in mind—namely, that Members, Ministers, Deputy Heads, cabinet and caucus employees must always put the public good above their own private interests, and be seen to do so.

Finally, I appreciate the confidence shown in me in performing this task.

F. CONTACT INFORMATION

I can be contacted as follows:

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All of which is respectfully submitted this 22th day of June 2012 by:

[Original signed by]

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Conflict of Interest Commissioner