



Ted Hughes Q.C.
Office of the Conflict of Interest Commissioner

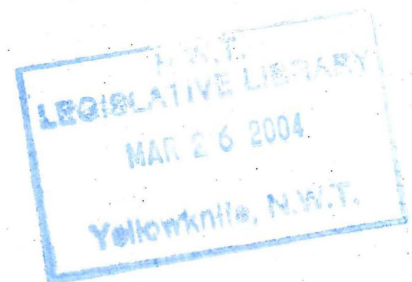
TABLED DOCUMENT NO. 13 15(3) TABLED ON MAR 25 2004



Annual Report
of
The Conflict of Interest
Commissioner
to the
Legislative Assembly
of the
Northwest Territories
March 22, 2004

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Commissioner



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March 22, 2004

The Honourable David Krutko

Speaker

The Legislative Assembly of the Northwest Territories

Box 1320 Yellowknife, N.T.

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Dear Speaker Krutko:

I have the honour to present to you, for transmittal to all Members of the Legislative Assembly, my second annual report as Conflict of Interest Commissioner. The report addresses the activities of my office during 2003. In 2003 a general election was held in the Territories which resulted in seven new Members taking their seats in the Assembly for the first time. Primarily for their benefit I will review, as I did last year, the mandated responsibilities of my office before turning my attention specifically to the activities of 2003.

The requirement for this report is mandated by Section 99 of the Legislative Assembly and Executive Council Act. Part 3 of that Act is devoted exclusively to "Conflict of Interest" and occupies sections 73 to 111 of the Act.

Section 99 requires that I address five subjects in my report. The first four deal with procedural matters, principally delinquencies or transgressions. I will identify them, report total compliance by all Members and then move on to the fifth subject which will form the substance of this report, addressing as I am required to do by way of a general summary, my "activities" as Commissioner of Conflict of Interest during 2003.

My report on the first four requirements:

1. There were no late filings or failures to file disclosure statements.
2. There were no authorizations by me to any Member to accept a contract that otherwise would have been prohibited by the Act.
3. No extensions of time were requested or required by any Member.
4. No Member was the subject of a complaint that was dismissed by me for any of the reasons listed in section 102 (1) (a) of the Act.

A reader of this report would be correct in concluding, from my response to these first four requirements, that I have enjoyed the cooperation of all Members of the Legislature. Every Member of the last Legislature exhibited an attitude of commitment to compliance with the requirements of the Act. Not only was there no failure to perform as required by the Act, there were no complaints of non-compliance filed with me against any Member by either another Member of the Assembly or a member of the public. My assessment is that all Members of the last Legislature appreciated why the Conflict of Interest legislation is in place and desired to honour and respect it in meeting their obligations under it. Every courtesy has been extended to me as I have attempted to meet my responsibilities under the Act. I congratulate all Members of the last Legislature and thank them for the pleasant working relationship they have created and I

record my expectation that all Members of the new Legislative Assembly work with me in the same positive environment throughout 2004.

This brings me to a general summary of my "activities" over the preceding year. The Commissioner performs three principal functions. I will comment on each of them:

1. To provide to Members written advice and recommendations on any matter respecting the obligations of a Member under the Act. I consider this to be the most important of all of the statutory responsibilities of the Commissioner.

The Act defines when a Member has a conflict of interest. It requires each Member to prevent a conflict of interest arising and to perform his or her duties of office and arrange his or her affairs in such a manner as to maintain public confidence and trust in the integrity, objectivity and impartiality of the Member. It also prohibits the acceptance of any remuneration, gift or benefit, the acceptance of which might erode public confidence and trust in the integrity, objectivity and impartiality of the Member. There are also prohibitions against the use by a Member of inside information and using the Member's office to seek to influence a decision made by another person to further the Member's private interests.

These are onerous but very necessary responsibilities of the office of M.L.A. The Conflict of Interest Commissioner is available at all times to offer advice to

Members in order to ensure compliance by Members with these requirements and to prevent conduct and actions that would be in violation of them. Over the past year many Members have availed themselves of the services of my office in seeking advice in order to ensure their compliance with the law.

I encourage all Members to be in touch with me if they have any concerns. The Commissioner is available to assist in preventing violations through the offering of timely advice to Members. The advice given to a Member by the Commissioner is confidential but may be disclosed by the Member. The Act provides that where a Member has received the advice and recommendations of the Commissioner, no proceedings can be taken against the Member in respect of his or her obligations on which he or she has sought that advice if the Commissioner has been given all the material facts and the Member has complied with the advice and recommendations of the Commissioner.

2. To receive the private disclosure statements of each Member, disclosing sources and amount of income and the assets, liabilities and financial interests of the Member, his or her spouse and dependent children.

Receipt of the Member's annual private disclosure statement is followed by a confidential meeting between the Member and the Commissioner to review the statement and receive any advice the Commissioner has to offer with respect to the Member's obligations under the Act. This is followed by the preparation, by

the Commissioner, of a public disclosure statement with respect to each Member and the subsequent filing of that public disclosure statement where it can be inspected by members of the public. These public records are available in the Legislative Library.

In 2003 all Members filed their disclosure statements with me within the required time frame and I held a confidential meeting with each of the 19 Members of the last Legislature. I received the full cooperation of all Members in meeting the requirements of disclosure.

It should be noted that if changes occur during the year with respect to sources of income, acquisition or disposition of assets, financial interests or liabilities, those changes must be recorded with the Commissioner within 90 days of the occurrence. Also, specific reporting provisions pertain to private companies in which the Member, his or her spouse or dependent children have an ownership interest.

3. To receive and act upon written complaints by a Member of the Legislature or a member of the public setting out reasonable grounds on which the complainor believes that a Member of the Assembly has contravened any provision of the Act.

An extensive procedure is set forth in the Act for the investigation, adjudicating and reporting with respect to each complaint, including a recommendation to the Legislative Assembly of punishment for it to consider for imposition on a Member who has been found to have violated a provision of the Act. When that has occurred it is the responsibility of the Assembly to consider the report and either order the imposition of the punishment recommended or to reject it.

As I have already recorded, no complaints were received in 2003. That is a continuation of the pattern which has existed since I assumed this office just over two years ago. It is a trend that speaks well of the commitment of Members to carry out their responsibilities of office in an exemplary manner.

This commendable standard of performance by Members of the Legislative Assembly has not gone unnoticed. In June 2003 a Legislative Reporter for a radio station broadcasting out of Yellowknife was interviewed by a host at the station. The host opened the program with the following words:

We haven't heard anything about conflict of interest scandals . . . what's going on at the Legislative Assembly?

The Legislative Reporter replied:

Well, You never know for sure what's going to happen, but so far it looks like the legislators are doing what they are supposed to do, making laws.

Exactly, and I commend and congratulate all Honourable Members for their performance in that regard. What that track record shows is an adherence by all

Honourable Members to the requirements of Section 75 Subsections (a) and (b) of the Act which require each Member to:

- Perform his or her duties of office and arrange his or her private affairs in such a manner as to maintain public confidence and trust in the integrity, objectivity and impartiality of the member.
- Refrain from accepting any remuneration, gift or benefit the acceptance of which might erode public confidence and trust in the integrity, objectivity or impartiality of the member, and in all other respects act in a manner that will bare the closest public scrutiny.

The Legislature of the Northwest Territories has set those standards for its Members and Members are accountable to conduct themselves in that manner. Failure to do so can be the basis for either a Member of the Assembly or of the public activating the complaint provisions of the Act which could lead to investigation, inquiry and, if found in violation, imposition of sanctions by the Legislature against an offending Member.

Few Legislatures in the country have had the foresight and conviction to legislate in a manner that mandates performance and provides for enforcement to the standards of Section 75 Subsections (a) and (b) of the Northwest Territories statute. Included in legislative bodies without such a legislated requirement is the Parliament of Canada. At this very time when that legislative body is considering the enactment of ethics legislation, it is my opinion that Members of the House of Commons and Senate would find that changes which parallel the standards of the

Northwest Territories would not only fill an obvious vacuum that recent difficulties have shown to exist but also would henceforth require performance by them at standards that Canadians expect of their elected representatives.

Miscellaneous Matters:

- (1) Accessibility – The cover of this report records where I can be reached through both my Yellowknife and my Victoria offices. I encourage all Members to be in touch with me at any time on any issue of concern to them, whether of minor or major significance to them. During 2003 I was in Yellowknife and personally available to Members on six occasions. During 2004 I will again be present on at least six occasions and at any other time that a need exists.

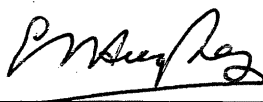
Members will be aware that I also perform duties to assist members of the public service of the Northwest Territories in my capacity as Ethics Counsellor, pursuant to the provisions of the 2001 Code of Conduct respecting Conflict of Interest and Oath of Office and Secrecy for employees of the Government of the Northwest Territories. In that capacity I provide advice, when requested, to members of the public service and I also attend to disclosure requirements applicable to those holding positions at the level of Deputy Minister or its equivalent. If my presence is required in Yellowknife or any other part of the Territories in my Ethics

Counsellor role, I make my presence known to Members of the Legislative Assembly so any contact required can occur when a need exists.

2. National Participation – Commissioners across the country have formed the Canadian Conflict of Interest Network. An annual meeting is held, where common problems and solutions are discussed to the benefit of all participants. Besides representatives from the Provinces and Territories a member and participant is the Ethics Counsellor to the Prime Minister of Canada.

In 2003, the September annual meeting of the Network was held in Yellowknife. Representatives of the Provinces, Territories and Canada met in session in the Legislative Assembly building for two days. Time permitted our guests to tour Yellowknife and the surrounding area. All members of the Network were appreciative of the hospitality shown to them by Members of the Legislature and by residents of the Northwest Territories. Members of the staff in the Office of the Clerk of the Legislature were most helpful in making arrangements and welcoming our guests who all left Yellowknife with a very happy and positive experience in the Northwest Territories.

Respectfully submitted this 22nd day of March 2004



Ted Hughes O.C. Q.C. Commissioner