

Military Police Complaints Commission

2006 - 2007

Departmental Performance Report

Honourable Peter Gordon MacKay, M.P.
Minister of National Defence

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SECTION I – DEPARTMENTAL OVERVIEW

Chair's Message

I am pleased to present the Military Police Complaints Commission's 2006-07 *Departmental Performance Report*.

The Military Police Complaints Commission (Commission) was established in December 1999 to provide independent, civilian oversight of Canada's military police service. The Commission oversees the military police complaints process. More specifically, it monitors the investigation and disposition of complaints about the military police by the Canadian Forces Provost Marshal, reviews such dispositions when asked by the complainant, independently investigates such complaints as appropriate in the public interest, including by means of public hearings, and investigates allegations of interference in military police investigations. Operating independently from both the Canadian Forces and the Department of National Defence, the Commission ensures the complaints process is accessible, fair and transparent to all concerned.

This past year has been an interesting and eventful year not only for the Commission but for all oversight agencies of Canada's police and security agencies. The "Arar Inquiry", the *Commission of Inquiry into the Actions of Canadian Officials in Relation to Maher Arar*, has brought civilian oversight of police well into the forefront, not only in Canada, but internationally. Excellence in the discharge of our mandate has never been more important.

It has been a challenging year but the Commission has responded well and positively. The completion of several investigations during the past year has resulted in recommendations and change that will have significant, long-term impact on military police practices. The investigation of interference complaints has resulted in a revision by the Canadian Forces Provost Marshal of the *Military Police Policies and Technical Procedures*, clarifying the role and responsibilities of military police supervisors in respect of supervisory interventions and defining more precisely the proper relations between the military police and the chain of command. This in turn should contribute to improvement in their relationships and the performance of their respective duties.

It has been a busy year. The number of investigations by the Commission doubled from the previous year. In addition, the Commission undertook the first public hearing in its seven-year history and initiated three new public interest investigations into especially serious or broadly publicized complaints about military police conduct. Again, the Commission has responded well and positively to the increase in the volume and complexity of the complaints received and investigated. The introduction of a new service standard and compliance mechanism will result in complaints being resolved in less time than previously. Quality of investigation was strengthened with the introduction of new investigative procedures. Report writing was also addressed. Unnecessary steps in the reporting process were eliminated when there are no investigative findings requiring a response from Canadian Forces authorities. As well, reports requiring a response to substantive findings and recommendations have been simplified and efforts made to better highlight the key issues that need to be addressed.

The Commission remains committed to the program goal of increasing awareness, within the ever changing military police community, of the Commission, the complaints process and the role of the Commission in assuring the military police of their rights in the process. The increased investigative workload, however, took priority and the outreach program was less active this year than last. Workload permitting, the outreach program will be restored to its former level (5 to 7 base visits annually) in 2007-2008.

The Commission like most small agencies faces a constant challenge with staff turnover. At the end of 2006 - 2007, the Commission was working on staffing actions affecting almost a third of its FTEs. In a micro organization with less than 20 FTEs, the organizational structure is basically flat. As a result, promotions, for the most part, will move an individual out of not up in the Commission. To combat this situation, current job descriptions are being carefully re-evaluated to see precisely what responsibilities are needed, can be realigned or can be consolidated. By creating a work environment that is more stimulating and challenging, the Commission will be able to retain its employees for a longer period of time, stabilize the work environment and improve on the already high quality of service provided.

As a final comment, I would add that the Commission is committed to protecting and enhancing the complaints process and by so doing will provide assurance to members of the Canadian Forces and all Canadians that they are being served by a military police service of the highest calibre.

Peter A. Tinsley
Chair

Management Representation Statement

I submit for tabling in Parliament, the *2006-07 Departmental Performance Report* (DPR) for the Military Police Complaints Commission.

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

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

Peter A. Tinsley
Chair

Program Activity Architecture Crosswalk

In an effort to render our public reporting more effective, crosswalk information is provided explaining more fully and completely the program activity architecture.

	2005–2006	2006–2007
Operations	2.4	N/A
Legal Services	1.7	N/A
Complaints Resolution	N/A	3.4

The Commission restructured its program activities, with the approval of Treasury Board, commencing in the 2006-2007 fiscal year. The restructuring involved merging its two operational program activities, Operations and Legal Services, to form a single program activity called Complaints Resolution. Complaints Resolution more accurately reflects the operational mandate of the Commission – to successfully resolve complaints about the conduct of military police members as well as complaints of interference with military police investigations.

Summary Information

Who We Are

The Commission was established by the Government of Canada on December 1, 1999 to provide independent, civilian oversight of the Canadian Forces military police. It was created to be an independent public agency, accountable, through the Minister of National Defence, to Parliament.

The Commission's role is to inquire into complaints independently and impartially and to arrive at objective findings and recommendations based on the information provided by complainants, the subjects of complaints, witnesses and others who may assist in uncovering the truth concerning the events being investigated. The Commission does not act as an advocate for either side in the complaint process.

What we do

The Commission formulates recommendations based on the findings of its independent and impartial reviews and investigations of complaints. Although not binding, if the authority responsible for dealing with these recommendations does not act on them, the

reasons for not acting must be provided to the Chair and the Minister of National Defence. While the Chair's recommendations may result in the censuring of the conduct of those who are the subject of a complaint, the recommendations are directed first and foremost at correcting any systemic problem that may have played a part in allowing the situation that gave rise to a complaint in the first instance.

Reason for Existence

The Commission oversees and reviews complaints about the conduct of members of the military police in the performance of their policing duties and functions, and handles complaints of interference from members of the military police who believe that another member of the Canadian Forces or a senior official of the Department of National Defence has improperly interfered with, or attempted to influence, a police investigation.

The Commission is an organization that exhibits fairness and impartiality in the performance of its investigations and reviews, inspires trust in the results of its decision-making, and contributes to a climate of confidence in military policing.

Strategic Outcome

The Commission has one strategic outcome: to promote and ensure the highest standards of conduct of military police in the performance of policing duties, and to discourage improper interference in any military police investigation.

Financial Resources (\$000)		
2006 – 2007		
Planned Spending	Total Authorities	Actual Spending
3,416	3,539	2,837
Human Resources (FTEs)		
Planned	Actual	Difference
16	16	-

Departmental Priorities

Name	Type
1. Conduct a detailed assessment of the complaints handling process	Ongoing
2. Implement the informal resolution initiative and adopt best practices in that regard	New
3. Implement a comprehensive performance measurement framework	Previously Committed
4. Hold meetings and working sessions with key Canadian Forces stakeholders	Ongoing
5. Continue the outreach initiative and make presentations to various stakeholders	Ongoing
6. Publish articles in journals, newspapers and magazines	Ongoing
7. Emphasize professional development of employees	Ongoing
8. Improve internal communications	Ongoing
9. Correct shortcomings identified in the 2005 Public Service survey	New
10. Train personnel on meeting the compliance requirements of the central agencies	New
11. Implement the internal audit plan by carrying out risk-based audits	Ongoing

Departmental Priorities – Status on Performance

Status on Performance			2006 - 2007	
Strategic Outcome: to promote and ensure the highest standards of conduct of military police in the performance of policing duties, and to discourage improper interference in any military police investigation.				
Alignment to Government of Canada Outcomes: Safe and Secure Communities				
Priority	Program Activity and Expected Results	Performance Status	Planned Spending	Actual Spending
1. Conduct a detailed assessment of the complaints handling process	Complaints Resolution cases processed more expeditiously	Successfully met	75	internally resourced
2. Implement the informal resolution initiative and adopt best practices in that regard	Complaints Resolution suitable cases processed more expeditiously	Not met	100	-
3. Implement a comprehensive performance measurement framework	Complaints Resolution clearly identified and effective targets and measures	Partially met	75	internally resourced
4. Hold meetings and working sessions with key Canadian Forces stakeholders	Complaints Resolution Improved working relationships, more effective and timely complaints resolution	Successfully met	75	1
5. Publish articles in journals, newspapers and magazines	Complaints Resolution Enhanced awareness of the role, mandate	Deferred – ample media coverage	15	
6. Emphasize professional development	Complaints Resolution Well-trained, motivated and committed workforce, positive efforts are appropriately acknowledged	Partially met	75	24
7. Continue to work with employees and their representatives to improve internal communications	Complaints Resolution Better informed workforce, greater appreciation of demands on the Commission and what it must do to be successful, fostering a greater commitment to performance.	Successfully met	10	internally resourced
8. Assess the findings of the 2005 Public Service survey and correct any shortcomings	Complaints Resolution Employee concerns quickly addressed and resolved	Successfully met	20	internally resourced
9. Train personnel on central agency and Commission compliance requirements	Complaints Resolution Improved compliance	Successfully met	20	internally resourced
10. Implement the internal audit plan and carry out risk-based audits	Complaints Resolution Improved resource management	Deferred – External Audit Conducted	30	

Performance Context

The Commission was established in December 1999 to provide independent, civilian oversight of the Canadian Forces Military Police. It reports to Parliament through the Minister of National Defence. By its efforts, the Commission contributes to the professionalism of the military police, helping to ensure the military police continue to enjoy the confidence of the Canadian Forces, and that of the Department of National Defence and of all Canadians.

The Military Police Complaints Process

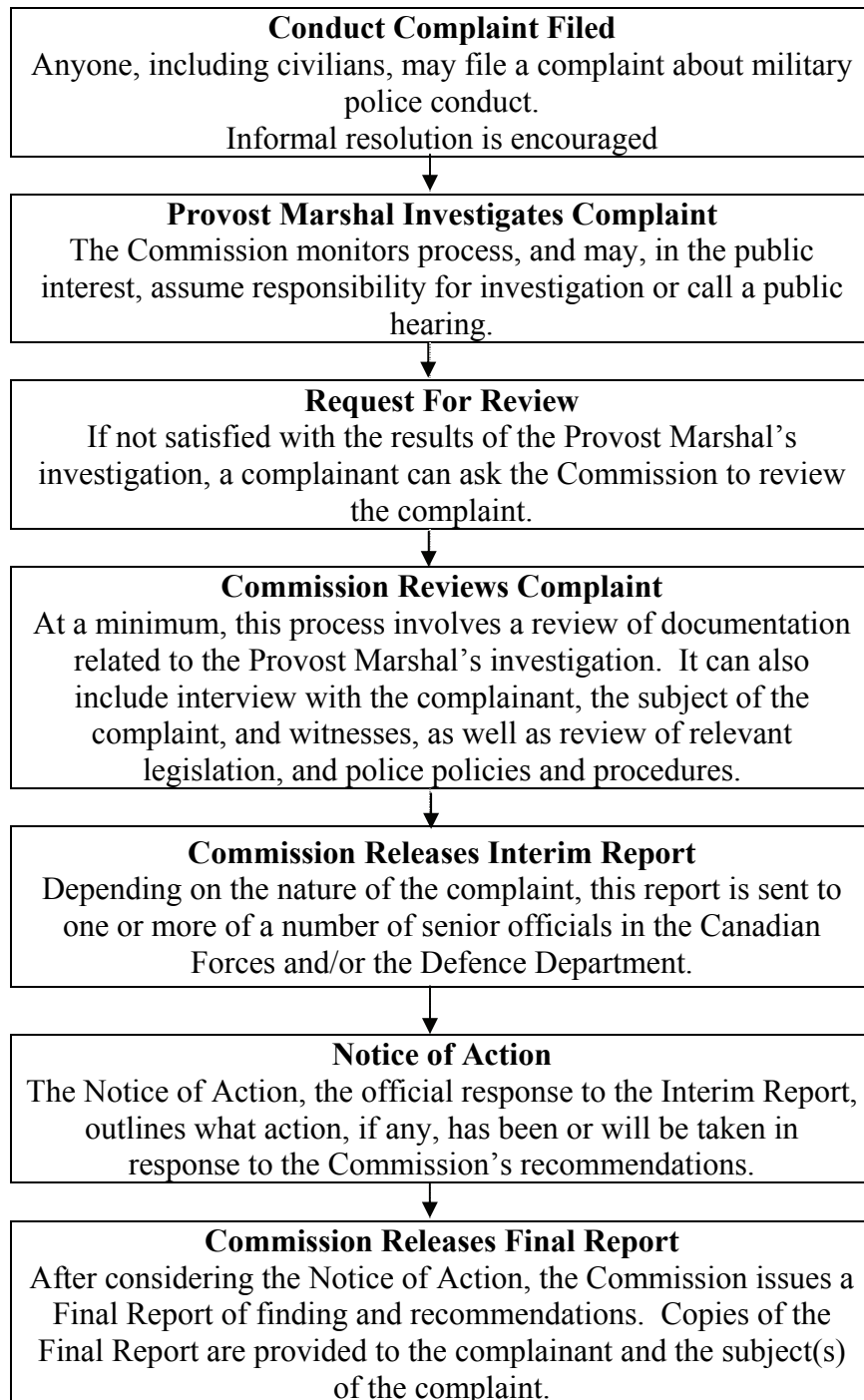
To appreciate the performance, it is necessary to appreciate the process. The Commission is mandated to monitor the investigation and disposition of complaints about military police conduct by the Canadian Forces Provost Marshal, to independently investigate such complaints, as appropriate, and to investigate allegations of interference in military police investigations. An overview of each complaints process is set out below.

The Canadian Forces Provost Marshal (CFPM), the chief of military police, has primary responsibility for the investigation of complaints about the conduct of military police. The Commission has the authority to monitor the investigation and disposition of the complaints by the CFPM and to independently investigate complaints as appropriate, such as upon request of the complainant.

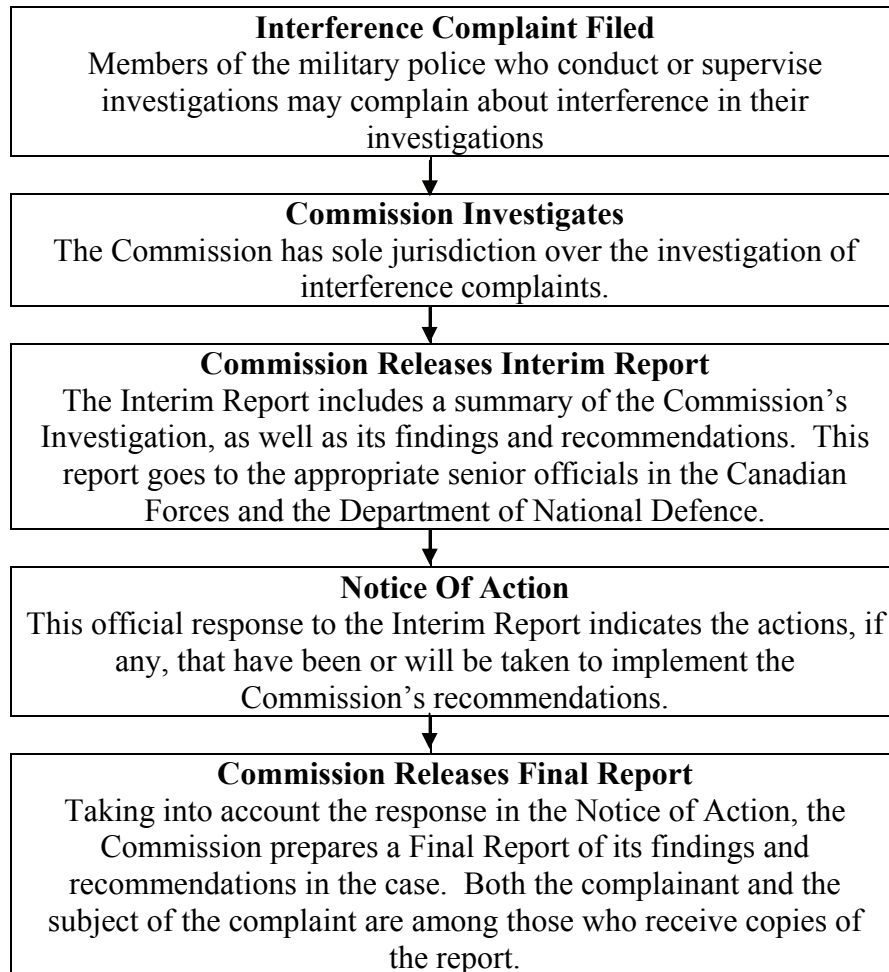
The Commission has exclusive jurisdiction for the investigation of complaints of interference in a military police investigation.

When the Chair determines it is in the public interest, the Commission can exercise its power to assume immediate responsibility for the investigation of a conduct complaint and, if warranted, to hold a public hearing.

Complaints About Police Conduct



Interference Complaints



The Commission's involvement in investigating complaints about police conduct or interference complaints results in the Chair preparing reports (interim and final) of findings and recommendations. The interim report requires a response from a senior designated National Defence or Canadian Forces official regarding the action taken or planned for each of the recommendations. Such recommendations, and the responses to them, strengthen the professionalism of Canada's military policing and help to guarantee the integrity and independence of the military police.

Operating Environment

Managing the Workload

One challenge that the Commission faces on an ongoing basis, and a peculiarity of its operating environment, is the lack of control over the volume and complexity of the cases received. It is also impossible to definitely predict how many complaints will be deemed to be in the public interest — complaints that may result in more costly public interest investigations or hearings by the Commission. Some complaints are straightforward,

with interviews involving two or three people, often in the same location, and can be concluded in a couple of weeks. Other complaints may involve interviewing more than a dozen individuals spread all across the country, including thousands and thousands of pages of documentary evidence and, accordingly, will only be concluded after several months. Consequently, the Commission must manage its activities and allocate its resources to accommodate the ebb and flow of complaints in a cost-effective manner.

Retention and Training

A constant challenge for the Commission is maintaining operational capability. It is a complex problem. Retention is a concern. In a “micro-agency” of 16 people, where most of the employees have distinct responsibilities and skill sets, staff turnover represents a major problem to maintaining service delivery. In addition, the organization is relatively flat and as such is unable to provide a career path for most employees. To get ahead for most employees, it means leaving the organization. Maintaining the desired level of expertise within the organization is another concern. Employees need to be trained and have their skill sets updated but turnover and operational demands can oftentimes prevent training plans from being realized.

Performance Measurement

The Commission is in the process of implementing the Management, Resources and Results Structure (MRRS) policy. In the first step of the five step implementation of the policy, the Treasury Board recently approved the Commission’s amended Strategic Outcome and amended Program Activity Architecture. The Commission is now in the process of developing and documenting a more rigorous performance measurement framework and describing more fully the governance structure (Step 2 in the implementation of the MRRS policy).

The Commission measures its performance against the achievement of its strategic outcome in two very critical areas – are complaints resolved in a fair and timely manner and are recommendations resulting from investigations implemented by the Department of National Defence and/or the Canadian Forces. In both areas, the Commission is performing well. Concerning fairness, to date, there have been no judicial reviews requested of any of the Commission’s decisions. And as noted below, the Commission’s recommendations are being implemented. As for timeliness, the time involved in resolving complaints is dropping. With regard to the acceptance and implementation of recommendations, it should be noted that the Notice of Action, the official response to the Interim Report, outlines what action, if any, has been or will be taken in response to the Commission’s recommendations. For the most part, prior to the issuance of the Final Report, the Commission, within the limits imposed by the Privacy Act, satisfies itself that its recommendations have been implemented. For the 2007 fiscal year, 100% of the Commission’s recommendations have been accepted and implemented.

Government Initiatives

The Government is in the process of implementing a number of government-wide initiatives that have had, are having and will continue to have a significant impact on workload. Proactive disclosure, initiatives under the Management, Resources and Results Structure policy, initiatives under management accountability framework, and implementation of human resources modernization, for example, are creating significant new workloads without any increase in resources to help address these workloads. It is becoming increasingly difficult to focus already scarce resources on mandate achievement when, more and more, they are being consumed by other requirements.

Performance Summary

In addition to its primary mandate, the Commission wanted to address the following during the fiscal year:

- The quality of service delivery and the efficiency and timeliness of complaints handling
- The visibility and relationships with key stakeholders, selected public and the media
- Stabilizing the work environment
- Fostering a culture of mutual trust, respect and recognition
- Complying with the central agencies' and the Commission's requirements.

Main Achievements

In summary, the Commission accomplished the majority of what it intended to do. A brief summary of some of its major accomplishments will illustrate this positive performance.

- Developed and adopted a new service standard and a new approach to investigations to reduce the time required to resolve a complaint
- Delivered a comprehensive workshop to further refine and improve investigative processes
- Clarified what does and does not constitute interference with a military police investigation
- Designed and commenced a more streamlined and effective method of reporting Commission findings and recommendations
- 100% of recommendations accepted
- Completed a series of visits to and presentations at a number of military bases describing the military police complaints process and setting out the benefits of civilian oversight
- Revised the internal structure and work processes of the Operations Section to bring greater focus to investigation files
- More active media contacts than ever before

Details of the Commission's case activities can be found on the website at www.mpcc-cppm.gc.ca

Lessons Learned

The Commission learned that it has to get better with workload forecasting and resource requirements. Investigations do not proceed at a steady rate; there are frequent stops and starts and investigation costs and time-frames need to be more closely monitored, especially as the year-end approaches.

Staff turnover is a problem. Even the best human resource planning can not overcome the fact that the Commission is a small organization. From the organization chart in Section III, it is evident that for only a few of the positions is there a potential career path. For all the others, the positions are stand-alone. The Commission must manage the reality that these employees will leave the Commission when promotions are offered elsewhere. The Commission strives to create a working environment that is both challenging and rewarding and that employees will remain a minimum of 2 years, there are no guarantees. When a promotion opportunity arrives, the employee will leave. At the end of March, 2007, there were staffing actions in progress on 39% of the Commission's positions.

SECTION II – ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

Analysis by Program Activity

Strategic Outcome: To promote and ensure the highest standard of conduct of military police in the performance of policing duties, and to discourage improper interference in any military police investigation.

Program Activity: Complaints Resolution – To successfully resolve complaints about the conduct of military police members as well as complaints of interference with military police investigations.

Financial Resources (\$000)		
Planned Spending	Authorized Spending	Actual Spending
3,416	3,539	2,837
Human Resources (FTEs)		
Planned		Actual
16		16

The Commission derives its authority from Part IV of the *National Defence Act*, which sets out how complaints about the conduct of military police and complaints of interference with military police investigations are to be handled. The previous section detailed the different mechanisms for dealing with both conduct and interference complaints. By statutory direction, the Commission must resolve matters that come before it as informally and expeditiously as circumstances and the consideration of fairness permit.

In 2006 – 2007, the Commission monitored the Canadian Forces Provost Marshal's investigation of 36 complaints about military police conduct. In addition, the number of investigations by the Commission increased by 100% over the previous year. As well, the Commission held the first public hearing in its brief history. Investigations were opened into 11 requests for review of the Provost Marshal's handling of conduct complaints. Three public interest investigations were commenced during the fiscal year. During the year, the Commission handled three complaints of interference. Of the 11 final reports issued during the year, all of the Commission's recommendations were adopted by the Canadian Forces Provost Marshal or the Chief of Defence Staff.

One of the Commission's priorities was to examine the complaints handling process in an effort to improve timeliness. The examination was completed, processes were changed and a new service standard for the completion of reviews and investigations was established, reducing the target time for either to be completed from 8 months to 5 ½ months. In addition, a teaming approach was instituted for investigations. This approach is recognized as a best practice in terms of generating quality results and completing investigations in a shorter period of time.

Another priority was to establish an informal resolution framework based on the identification of best practices from other quasi-judicial tribunals. This priority was deferred because of the workload pressure throughout the year.

The establishment and implementation of a formal performance measurement framework is still a work in progress. To date, internal performance measurement is underway, and deadlines for the completion of key operations in the complaints resolution process have been formalized and reported upon. However, the Commission is still working to identify ways to measure the results as opposed to the outputs from its complaints resolution activity. Attribution is a concern because although the Commission plays a key role in helping to ensure the professionalism and the high standards of conduct achieved by the military police in the performance of their duties it shares the results with many others. The difficulty is in trying to isolate, to the greatest extent possible, the results due solely to the efforts of the Commission.

The Chair cannot issue a final report in a given case until the appropriate authority within the military or defence hierarchy has provided a response to the Interim Report. The Commission's ability to ensure that cases are resolved in a timely manner is dependent upon the cooperation and collaboration of others. Because of this, the Commission established a priority to hold meetings and working sessions with key Canadian Forces stakeholders. The Commission delivered on this priority by increasing the number of meetings throughout the year. In the fall a follow-up session to an earlier meeting in February was held to discuss matters of mutual concern. The ongoing dialogue with senior officials in DND and the Canadian Forces, so critical to the overall success of the Commission, appears to be paying dividends as the Commission had 100% of its recommendations accepted in the past year.

The Commission continued its outreach program 06-07 but it was drastically curtailed (down to two base visits) because of the increased business volumes. In addition, the Commission had but one sitting Member, the Chair. There were no part-time Members appointed, Members who could have contributed to the outreach program. The cumulative outreach efforts of the past two years (05-06 and 06-07), however, may have contributed to the increased volume of work this year. The outreach efforts will be renewed in the upcoming year because it is critical that the military police and other communities are aware of the mandate of the Commission, the complaints process and the role the Commission plays in ensuring their rights in the process.

The Commission also intended to increase the awareness of the mandate and role of the Commission by publishing articles in journals, newspapers and magazines but with the publicity generated by the Afghanistan situation, this priority was downgraded and rescheduled for next year.

The Commission implemented its learning policy early in 2005 and this learning policy was created to assist employees in pursuing their professional and career goals. The policy also helps to ensure that the Commission will have a well-trained workforce to help deliver its program. In the past year, all employees prepared a training plan,

approved by management, which placed an emphasis on essential job skills, on improving skills and on professional development. Adequate funds were available to complete all related training and the training plans were fulfilled. However, a higher than expected rate of staff turnover necessitated a significant expenditure of resources on recruiting, staffing and orientation training.

The Commission continues to work with employees and their representatives to improve internal communications. A staff meeting is held each month with an emphasis on issues of interest to the staff. This not only keeps the staff well informed on current issues but oftentimes, addresses and resolves concerns of staff. In addition, a regular part of these staff meetings is the discussion amongst the staff concerning ethical situations and correct courses of action. These discussions serve to inform staff on ethical behaviour, contribute to a sharing of ideas and build collegiality. The labour-management consultative committee met twice during the year. More frequent meetings are difficult to schedule as it is a challenge for labour representatives to schedule for such meetings with a very small organization where they may only have a single employee represented. Nevertheless, a good working relationship exists between management and labour representatives and that has helped to expedite and satisfactorily resolve several issues during the year.

The 2005 Public Service Employee Survey gave a notably more positive view of employees at the Commission than did the previous survey. The results of the 2005 survey were analyzed by the Commission's management team, discussed with employees and then tabled and discussed at a labour-management consultative committee meeting. An action plan was created and implemented to address those areas where further improvements were needed.

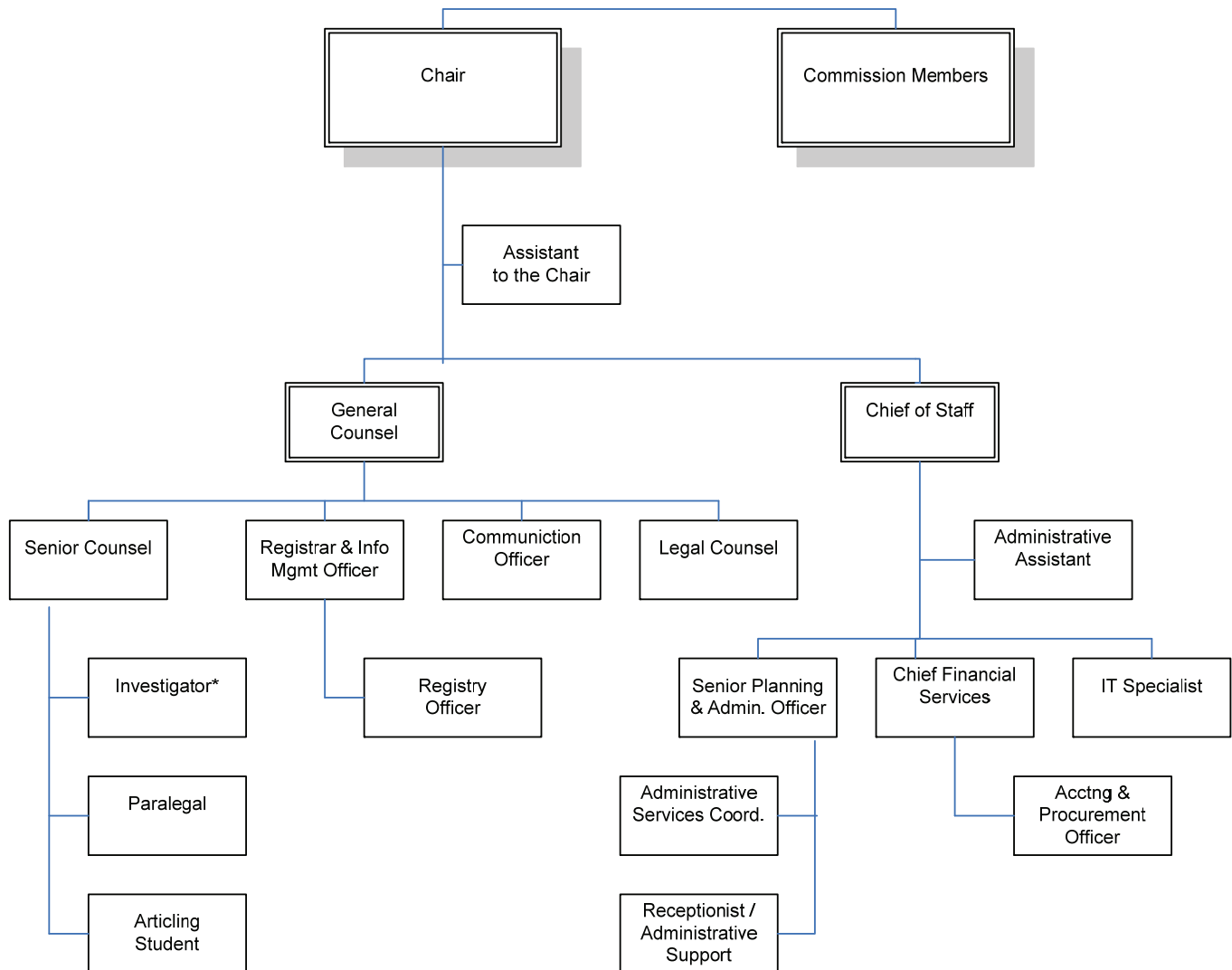
The Commission aims to become a more "compliant" organization relative to the requirements of the central agencies. As a result, during the past year, as part of the ongoing requisitioning process for goods and services, compliance information and guidance was informally provided to managers and staff in the areas of procurement and contracting. There is more work to be done but progress is being made. As well, the results of the Departmental Staffing Accountability Report, while leaving room for improvement, indicate a satisfactory level of compliance with the various HR requirements. In October 2006, the PSC tabled a follow-up audit of the Commission's staffing actions. It found improvements in the Commission's files and staffing actions, as well as in the HR services provided by Public Works and Government Services Canada, with the result that conditions previously imposed on the Commission's staffing delegation were removed.

The Commission's risk assessment was updated during the last fiscal year to ensure that higher risk areas are correctly identified and scheduled for internal audit. The Commission participated in the Comptroller General's initial survey related to the internal audit of travel and hospitality but was not selected for detailed review. The Commission sought out the advice of the Comptroller General on the Commission's own internal audit plan.

SECTION III – SUPPLEMENTARY INFORMATION

Organizational Information

The following organizational chart represents the Commission in relation to the restructuring of its program activities.



* The Commission relies on a pool of qualified contract investigators

How to reach the Commission

- Call our information line:
(613) 947-5625 or toll free at 1-800-632-0566
- Send us a fax:
(613) 947-5713 or toll free at 1-877-947-5713
- Send us a letter:
Military Police Complaints Commission
270 Albert Street, 10th
Ottawa, ON K1P 5G8
- Visit us at the above address for a private consultation – appointments are recommended
- E-mail us:
commission@mpcc-cppm.gc.ca
- Visit our website:
www.mpcc-cppm.gc.ca
- Media inquiries:
(613) 947-5668 or e-mail media@mpcc-cppm.gc.ca

Table 1: Comparison of Planned to Actual Spending (including FTEs)

(in thousands)	2004 - 05 Actual	2005 - 06 Actual	2006-2007			Actual
			Main Estimates	Planned Spending	Total Authorities	
Complaints Resolution	2,985	2,703	3,416	3,416	3,539	2,837
Total	2,985	2,703	3,416	3,416	3,539	2,837
Less:						
Non-Respendable revenue						
Plus: Cost of services received without charge *	109	154		154		127
Net cost of Department	3,094	2,857		3,569	3,539	2,964
Full Time Equivalent	16	15		16	16	16

**Employer's share of Public Service Insurance Plan; the Commission pays its accommodation costs, included in Complaints Resolution, (\$149 thousand) directly to Public Works and Government Services Canada.*

Table 2: Resources by Program Activity

Program Activity	2006 - 2007 Budgetary (\$000)		
	Operating	Total: Net Budgetary Expenditures	Total
Complaints Resolution			
Main Estimates	3,416	3,416	3,416
Planned Spending	3,416	3,416	3,416
Total Authorities	3,539	3,539	3,539
Actual Spending	2,837	2,837	2,837

Table 3: Voted and Statutory Items

Vote or Statutory Item	Truncated Vote or Statutory Wording	2006–2007 (in thousands)			
		Main Estimates	Planned Spending	Total Authorities	Actual
20	Program Expenditures	3,119	3,119	3,331	2,629
(S)	Contributions to employee benefit plans	297	297	208	208
	Total	3,416	3,416	3,539	2,837

Table 4: Services Received Without Charge

(in thousands)	2006–2007
Contributions covering employers' share of employees' insurance premiums and expenditures paid by TBS (excluding revolving funds)	154
Total 2006–2007 services received without charge	154

Table 5: Response to Audits for Fiscal Year 2006-2007**External Audits****Public Service Commission Follow-up Audit of the Military Police Complaints Commission** – report issued October 2006

http://www.psc-cfp.gc.ca/audit-verif/reports/2006/mpcc-followup/index_e.htm

Overall response of the Military Police Complaints Commission: The follow-up audit makes several valuable observations and suggestions including those related to the Policy on Area of Selection, the file documentation, and the comprehensive monitoring system. The Commission will implement these suggestions. The Commission will also maintain its communications approach which proved to be timely, effective and efficient. In addition, the annual plans such as the training plan and the Integrated Business and Human Resources Plan will continue to be updated regularly. The Commission is committed to its continuous learning program for staffing and other human resources activities. All these activities will take place with the aim of continuously improving performance in these areas.

Table 6: YEAR END FINANCIAL STATEMENTS

MILITARY POLICE COMPLAINTS COMMISSION

Statement of Management Responsibility

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

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

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

The financial statements of the Complaints Commission have not been audited.

Peter A. Tinsley
Chair

Stanley Blythe
Senior Financial Officer

Ottawa, Canada
Date:

MILITARY POLICE COMPLAINTS COMMISSION

Statement of Operations (*Unaudited*)

For the Year Ended March 31

(*in dollars*)

	2007	2006
Operating Expenses		
Complaints Resolution		
Salaries and employee benefits	1,475,597	1,662,949
Professional and special services	997,668	625,652
Accommodation	148,813	154,097
Transportation and telecommunications	94,734	114,539
Utilities, materials and supplies	66,035	138,801
Amortization of tangible capital assets	41,173	36,582
Information	32,929	76,401
Rentals	10,086	16,780
Other	6,212	1,779
Net Cost of Operations	2,873,247	2,827,580

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

MILITARY POLICE COMPLAINTS COMMISSION

Statement of Financial Position *(Unaudited)*

At March 31

(in dollars)

	2007	2006
Assets		
Financial assets		
Accounts receivable and advances (note 4)	107,154	169,405
Non-financial assets		
Prepaid expenses	-	2,889
Tangible capital assets (note 5)	162,770	115,137
Total non-financial assets	162,770	118,026
TOTAL	269,924	287,431
Liabilities		
Accounts payable and accrued liabilities	205,520	403,156
Vacation pay and compensatory leave	78,107	65,951
Employee severance benefits (Note 6)	214,637	272,827
Total liabilities	498,264	741,934
Equity of Canada	(228,340)	(454,503)
TOTAL	269,924	287,431

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

MILITARY POLICE COMPLAINTS COMMISSION

Statement of Equity of Canada (*Unaudited*)

At March 31

(*in dollars*)

	<u>2007</u>	<u>2006</u>
Equity of Canada, beginning of year	(454,503)	(319,246)
Net cost of operations	(2,873,247)	(2,827,580)
Current year appropriations used (note 3)	2,836,971	2,702,599
Change in net position in the Consolidated Revenue Fund (note 3)	134,999	(164,196)
Services provided without charge by other government departments (note 7)	127,440	153,920
Equity of Canada, end of year	<u>(228,340)</u>	<u>(454,503)</u>

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

MILITARY POLICE COMPLAINTS COMMISSION

Statement of Cash Flow *(Unaudited)*

For the Year Ended March 31

(in dollars)

	<u>2007</u>	<u>2006</u>
Operating Activities		
Net cost of operations	2,873,247	2,827,580
Non-cash items:		
Amortization of tangible capital assets	(41,173)	(36,582)
Services provided without charge (note 7)	(127,440)	(153,920)
Variations in Statement of Financial Position:		
Increase (decrease) in receivables and advances and prepaids	(65,140)	(46,049)
Decrease (increase) in liabilities	243,670	(116,126)
Cash used by operating activities	<u>2,883,164</u>	<u>2,474,903</u>
Capital investment activities		
Acquisitions of tangible capital assets	<u>88,807</u>	<u>63,500</u>
Cash used by capital investment activities	<u>88,807</u>	<u>63,500</u>
Net cash provided by Government	<u>(2,971,971)</u>	<u>(2,538,403)</u>

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

MILITARY POLICE COMPLAINTS COMMISSION

Notes to the Financial Statements (Unaudited)

1. *Authority and Objectives*

The Military Police Complaints Commission (Complaints Commission) is a quasi-judicial agency, which reports to Parliament through the Minister of National Defence. It is a civilian body, external and independent of the Department of National Defence (DND) and the Canadian Forces (CF). The Commission was established in the fall of 1999 under Part IV of the National Defence Act (Sections 250.1 to 250.53). Its mandate is to monitor and review complaints about the conduct of the military police in performance of their policing duties or functions and to deal with complaints of interference in military police investigations.

2. *Summary of Significant Accounting Policies*

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

Significant accounting policies are as follows:

(a) *Parliamentary appropriations*

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

(b) *Net cash provided by Government*

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

(Unaudited)

(c) Change in net position in the Consolidated Revenue Fund

The change is the difference between the net cash provided by Government and appropriations used in a year. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) Expenses

Expenses are recorded on the accrual basis:

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

(e) Employee future benefits

- i. Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government of Canada. The Complaints Commission's contributions to the Plan are charged to expenses in the year incurred and represent the total Complaints Commission obligation to the Plan. Current legislation does not require the Complaints Commission to make contributions for any actuarial deficiencies of the Plan.
- ii. Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(f) Accounts receivable and advances

Accounts receivable and advances are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

(Unaudited)

(g) Tangible capital assets

All tangible capital assets and leasehold improvements having an initial cost of \$3,000 or more are recorded at their acquisition cost. The Complaints Commission does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value.

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

Asset Class	Amortization Period
Informatics hardware	3 - 4 years
Equipment	3 - 5 years
Leasehold improvements	10 years

(h) Measurement uncertainty

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

3. Parliamentary appropriations

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

(Unaudited)

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

	2007	2006
	<hr/> (in dollars) <hr/>	
Net cost of operations	2,873,247	2,827,580
Adjustments for items affecting net cost of operations but not affecting appropriations		
Add (Less):		
Services provided without charge by other government departments	(127,440)	(153,920)
Amortization of tangible capital assets	(41,173)	(36,582)
Other	(2,503)	-
Decrease (Increase) in employee severance benefits liability	58,190	(1,379)
Refund of previous year expenses	-	5,768
Decrease (Increase) in vacation pay and compensatory leave liability	(12,156)	(5,200)
	<hr/> 2,748,165	<hr/> 2,636,267
Adjustments for items not affecting net cost but affecting appropriations		
Add: Tangible capital assets acquisition	88,806	63,500
Increase in prepaid expenses	-	2,832
	<hr/> 2,836,971	<hr/> 2,702,599
Current year appropriations used	<hr/> <hr/>	<hr/> <hr/>

b) Appropriations provided and used

	Appropriations Provided	
	2007	2006
	<hr/> (in dollars) <hr/>	
Vote 20 - Operating expenditures	3,331,000	3,791,000
Statutory amounts	208,043	237,678
Less:		
Lapsed appropriations: Operating	(702,072)	(1,326,079)
	<hr/> 2,836,971	<hr/> 2,702,599
Current year appropriations used	<hr/> <hr/>	<hr/> <hr/>

(Unaudited)

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

	2007	2006
	<hr/> (in dollars) <hr/>	
Net cash provided by Government	2,971,970	2,538,403
Change in net position in the Consolidated Revenue Fund		
Refund of previous year expenses	-	5,768
Decrease (Increase) in accounts receivable and advances	62,251	46,049
(Decrease) Increase in accounts payable and accrued liabilities	(197,636)	109,547
Other adjustments	386	2,832
	<hr/>	
Current year appropriations used	2,836,971	2,702,599
	<hr/>	

4. Accounts Receivable and Advances

The following table presents details of accounts receivable and advances

	2007	2006
	<hr/> (in dollars) <hr/>	
Receivables from other Federal Government departments and agencies	106,654	168,905
Employee advances	500	500
	<hr/>	
Total	107,154	169,405
	<hr/>	

(Unaudited)

5. Tangible Capital Assets
(in dollars)

Capital asset class	Cost			Closing balance
	Opening balance	Acquisitions and transfers	Disposals transfers and write-offs	
Informatics hardware	389,123	25,295	(165,824)	248,594
Equipment	-	165,824	-	165,824
Leasehold improvements	-	63,511	-	63,511
Total	389,123	254,630	(165,824)	477,929

Capital asset class	Accumulated amortization			Closing balance
	Opening balance	Amortization and transfers	Disposals transfers and write-offs	
Informatics hardware	273,986	40,114	(165,824)	148,276
Equipment	-	165,824	-	165,824
Leasehold improvements	-	1,059	-	1,059
Total	273,986	206,997	(165,824)	315,159

Capital asset class	2007	2006
	Net book value	Net book Value
Informatics hardware	100,318	115,137
Equipment	-	-
Leasehold improvements	62,452	-
Total	162,770	115,137

Amortization expense for the year ended March 31, 2007 is \$41,173 (2006 is \$36,582).

6. Employee benefits

a) Pension benefits

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

(Unaudited)

Both the employees and the Complaints Commission contribute to the cost of the Plan. The 2006-07 expense amounts to \$153,325 (\$175,000 in 2005-06) which represents approximately 2.2 times (2.6 in 2005-06) the contributions by employees.

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

b) Severance benefits

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

	2007	2006
	(in dollars)	
Accrued benefit obligation, beginning of the year	272,827	271,448
Expense for the year	(58,190)	45,891
Benefits paid during the year	-	(44,512)
Accrued benefit obligation, end of the year	214,637	272,827

7. Related party transactions

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

a) Services provided without charge:

During the year, the Complaints Commission received without charge from another department the employer's contribution to the health and dental insurance plans. This service without charge has been recognized in the Complaint Commission's Statement of Operations as follows:

	2007	2006
	(in dollars)	
Employer's contribution to the health and dental insurance plans	127,440	153,920

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

b) Payables outstanding at year-end with related parties:

	2007	2006
	(in dollars)	
Accounts payable to other government departments and agencies	43,141	143,003