



# **Office of the Chief Electoral Officer**

**Period ending March 31, 2008**

## **Departmental Performance Report**

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Marc Mayrand  
Chief Electoral Officer of Canada

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The Honourable Jay Hill, P.C., MP  
Leader of the Government in the  
House of Commons



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## Section I – Overview

### Chief Electoral Officer’s Message

The 2007–2008 fiscal year was both interesting and challenging for Elections Canada, and in some respects unprecedented. During this period, we worked to enact the provisions of bills C-31 and C-18, which require electors to prove their identity and address when voting. The new requirements represent significant changes for electors and the way the electoral process is administered. We conducted seven by-elections under the new voter identification regime introduced by these bills.

We also engaged in a significant, cross-country training initiative to inform political entities about the new Electronic Financial Return software and how to use it, as well as about the political financing rules that came into effect on January 1, 2007, with the passing of the *Federal Accountability Act*. This work was accomplished in the context of a minority government, with no fewer than eight confidence votes during the fiscal year. The resulting uncertainty meant that we needed to maintain the highest level of readiness, both in the field and in Ottawa, to conduct a federal general election at any time.

The past fiscal year brought considerable attention to Elections Canada, particularly with regard to its regulatory role in the areas of political financing, acceptable pieces of identification for voting and compliance. This heightened scrutiny tested the resilience and vigilance of the agency. We had to exert significant effort, mostly to demonstrate that we were delivering our statutory mandate in an independent, fair, transparent and effective manner, in compliance with the provisions of the *Canada Elections Act*.

To ensure we could continue meeting these challenges and new ones that are sure to come our way, we set out in 2007 to develop a five-year strategic plan that would identify our long-term strategic priorities and the key enabling functions required to achieve them. The *Strategic Plan 2008–2013* was completed in September 2007. It will guide us as we strive to continuously improve the way we fulfill our mandate.

During this period, we prepared a submission to the Treasury Board of Canada, seeking to increase our annual funding so that we will be able to expand our base of indeterminate employees. More such employees are required to increase our capacity to continue implementing significant electoral and legislative reforms, improving our information technology infrastructure, and carrying out initiatives resulting from the *Federal Accountability Act*.

This reporting period presented significant challenges. We will continue to work closely with electors, parliamentarians, political parties and other stakeholders to fulfill our strategic priorities, serve the electoral needs of Canadians and maintain their trust in the federal electoral framework.

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Marc Mayrand  
Chief Electoral Officer of Canada

## **Management Representation Statement**

I submit, for tabling in Parliament, the 2007–2008 Departmental Performance Report (DPR) for the Office of the Chief Electoral Officer.

This document has been prepared based on the reporting principles contained in the *Guide to the Preparation of Part III of the 2007–2008 Estimates; Reports on Plans and Priorities and Departmental Performance Reports*:

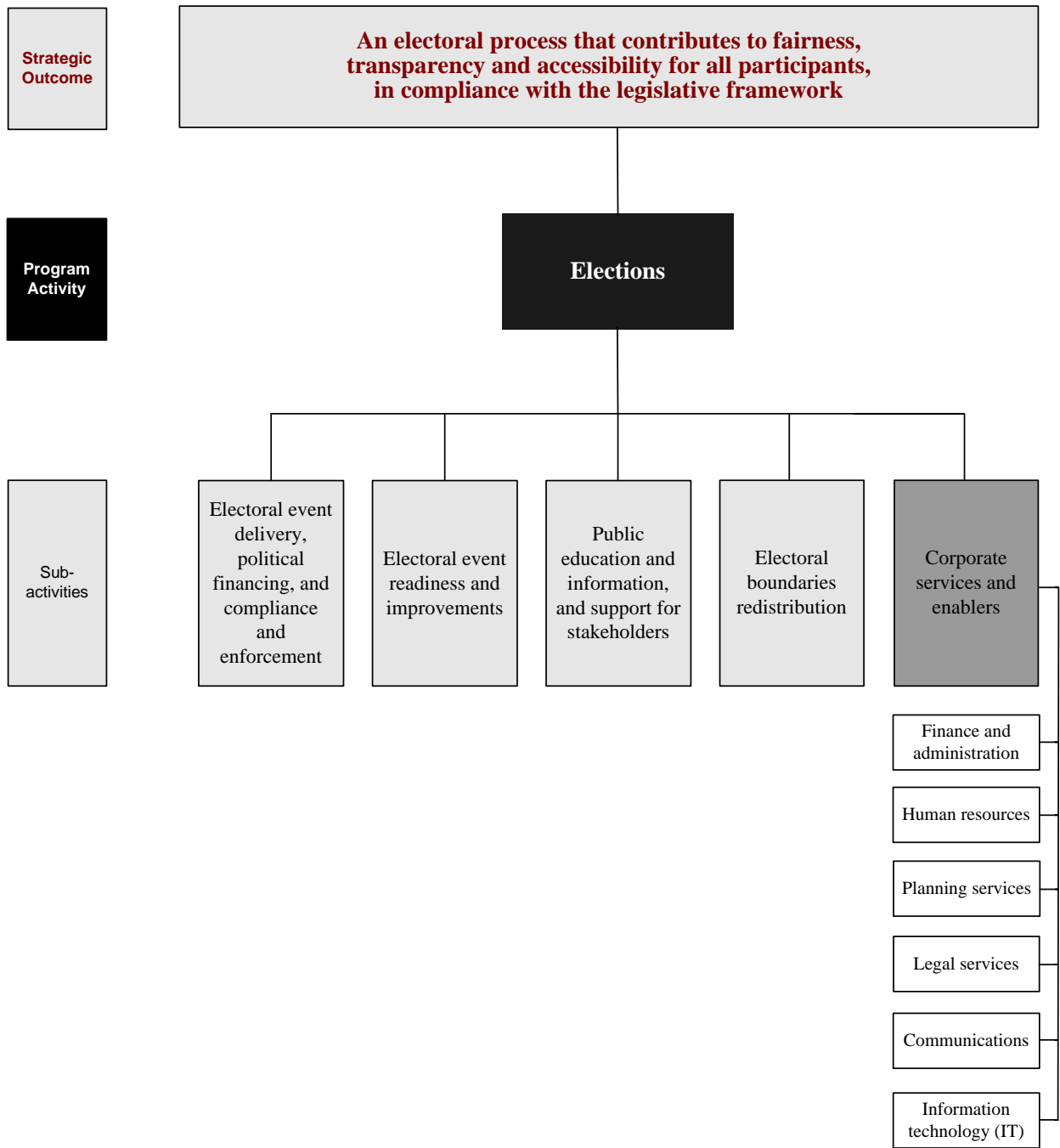
- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guide.
- It is based on the agency's strategic outcome and Program Activity Architecture, approved by the Treasury Board.
- It presents consistent, comprehensive, balanced and reliable information.
- It provides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

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Marc Mayrand  
Chief Electoral Officer of Canada

## Strategic Outcome and Program Activity Architecture

Elections Canada has a single strategic outcome supported by the following Program Activity Architecture:





## Summary Information

### Raison d'être

The Chief Electoral Officer is an independent, non-partisan Officer or Agent of Parliament. More information on Officers of Parliament can be obtained at:

[www2.parl.gc.ca/Parlinfo/Compilations/OfficersAndOfficials/OfficersAndOfficialsOfParliament.aspx?Menu=HOC-Officers](http://www2.parl.gc.ca/Parlinfo/Compilations/OfficersAndOfficials/OfficersAndOfficialsOfParliament.aspx?Menu=HOC-Officers)

The Office of the Chief Electoral Officer is commonly known as Elections Canada. The mandate of this agency is to:

- be prepared at all times to conduct a federal general election, by-election or referendum
- administer the political financing provisions of the *Canada Elections Act*
- monitor compliance and enforce electoral legislation
- conduct voter education and information programs
- provide support to the independent commissions in charge of adjusting the boundaries of federal electoral districts following each decennial census
- carry out studies on alternative voting methods and, with the approval of Parliament, test electronic voting processes for future use during electoral events

Elections Canada's responsibilities include ensuring that all voters have access to the electoral process, providing information and education programs to citizens about the electoral system, maintaining the National Register of Electors, enforcing electoral legislation, and maintaining readiness to conduct electoral events.

Its mission is to ensure that Canadians can exercise their democratic rights to vote and be a candidate. Its vision is to provide an accessible electoral framework that Canadians trust and use.

The Office of the Chief Electoral Officer is funded by an annual appropriation that provides for the salaries of permanent full-time staff, and by the statutory authorities contained in the *Canada Elections Act*, the *Referendum Act* and the *Electoral Boundaries Readjustment Act*. The statutory authorities provide for all other expenditures, including the costs of electoral events, reimbursements of election expenses to eligible candidates and parties, quarterly allowances for eligible political parties, redistribution of electoral boundaries and expenses incurred by the Commissioner of Canada Elections or on behalf of the Commissioner in connection with the enforcement of the legislation. There are two further statutory items: the salary of the Chief Electoral Officer and contributions to employee benefit plans.

The statutory authority ensures that Elections Canada has the capacity to be ready at all times to conduct an electoral event. It also serves to recognize Elections Canada’s independence from the government and from the influence of political parties. It is a critical component in maintaining the integrity of the democratic process in Canada.

**Financial Resources (\$ thousands)**

2007–2008		
Planned Spending	Total Authorities	Actual Spending
\$104,422	\$122,185	\$120,740

**Human Resources (full-time equivalents (FTEs))**

2007–2008		
Planned	Actual	Difference
387	423	36

**Agency Priorities**

Name	Type	Performance Status
1. Electoral event delivery, political financing, and compliance and enforcement	Ongoing	Successfully met
2. Electoral event readiness and improvements	Ongoing	Successfully met
3. Public education and information, and support for stakeholders	Ongoing	Successfully met
4. Electoral boundaries redistribution	Ongoing	Redistribution was last completed in 2003–2004. It will begin again once we receive the 2011 census return. However, we will begin planning activities for this priority starting in 2008–2009.

Elections Canada also worked on a number of programs and services related to internal operations and administration, identified in the *2007–2008 Report on Plans and Priorities* under the heading of “Other Programs and Services.”

## Program Activities by Strategic Outcome

The following chart summarizes Elections Canada's four key programs and corporate services or program enablers that complement our single strategic outcome.

	Expected Results	Performance Status	2007–2008 (\$ thousands)		Contributes to
			Planned Spending	Actual Spending	
<b>Strategic Outcome:</b> an electoral process that contributes to fairness, transparency and accessibility for all participants, in compliance with the legislative framework.					
Key Program 1: Electoral event delivery, political financing, and compliance and enforcement	<ul style="list-style-type: none"> <li>• Delivery of high-quality elections, by-elections and referendums at all times</li> <li>• Fair, efficient and transparent administration of the political financing provisions</li> <li>• Effective compliance and enforcement programs in accordance with legal requirements</li> </ul>	Successfully met (see details on page 20)	34,251	42,249	Priority 1
Key Program 2: Electoral event readiness and improvements	Readiness to deliver electoral events whenever they may be called	Successfully met (see details on page 23)	59,344	71,515	Priority 2
Key Program 3: Public education and information, and support for stakeholders	Timely and high-quality electoral public education and information programs	Successfully met (see details on page 26)	10,827	6,976	Priority 3
Key Program 4: Electoral boundaries redistribution	Efficient and non-partisan administration of the <i>Electoral Boundaries Readjustment Act</i>	This cyclical activity was last completed in 2003–2004. Planning for this priority resumes in 2008–2009.	0	0	Priority 4
Corporate services and enablers	Provision of support and enabling activities for the four mandated priority functions	Successfully met (see details on page 32)	Included in the above	Included in the above	All four mandated priorities

## Agency Performance

Elections Canada's *Report on Plans and Priorities* (RPP) for 2007–2008 guided the agency's activities during this reporting period. The plans and priorities were directed by our strategic outcome, and were also influenced by Parliament's legislative initiatives, as well as the requirement to conduct two sets of by-elections.

### 1. Performance Highlights

In the past fiscal year, Elections Canada was successful in fulfilling all of its mandated priorities and in addressing the actions set out in the 2007–2008 RPP.

The highlights include:

#### **Electoral Event Delivery, Political Financing, and Compliance and Enforcement**

Within this mandated priority, Elections Canada achieved the following major deliverables:

- On September 17, 2007, the agency administered by-elections in the electoral districts of Outremont, Roberval–Lac-Saint-Jean and Saint-Hyacinthe–Bagot. On March 31, 2008, the Chief Electoral Officer submitted to the Speaker of the House of Commons his report on the administration of these by-elections, in accordance with subsection 534(2) of the *Canada Elections Act*.

Implemented successfully in these by-elections were the provisions of Bill C-31 (which came into force in July 2007), requiring electors to prove their identity and address.

The report for the by-elections is posted on the Elections Canada Web site at:

[www.elections.ca/gen/rep/re2/sta\\_2007/by2007stat\\_e.pdf](http://www.elections.ca/gen/rep/re2/sta_2007/by2007stat_e.pdf).

- Elections Canada successfully administered four by-elections on March 17, 2008, in the electoral districts of Desnethé–Missinippi–Churchill River, Toronto Centre, Vancouver Quadra, and Willowdale. Implemented in these by-elections were the provisions of both bills C-31 and C-18. (Bill C-18 came into force in December 2007. It allows an elector to establish his or her residence by presenting a piece of identification that is consistent with information related to the elector or voucher that appears on the list of electors.)

The Chief Electoral Officer's report on this event is an action item for the agency for 2008–2009.

- All political entities were informed of the new political financing rules in the *Federal Accountability Act*, which came into force on January 1, 2007.
- The agency completed a review of 93 percent of the 39th general election returns. Reimbursements of election expenses were issued to eligible candidates, as were payments of audit subsidies to auditors.

- The Office of the Commissioner of Canada Elections assessed, investigated and resolved complaints about contraventions of the *Canada Elections Act* related to the 38th and 39th general elections and two sets of by-elections (in seven electoral districts) in 2007–2008.
- Prosecutions related to the 38th general election were completed. One prosecution relating to the 39th general election was ongoing and was being conducted by the Director of Public Prosecutions, who is now responsible for the prosecution of offences under the *Canada Elections Act*.

### **Electoral Event Readiness and Improvements**

Within this mandated priority, Elections Canada achieved the following deliverables:

- The provisions of bills C-31 and C-18 establishing a new voter identification regime were assessed and implemented over the course of the seven by-elections held in 2007–2008.

Some of the changes to improve the accuracy of the National Register of Electors were also implemented, including the addition of an explicit confirmation of Canadian citizenship to the 2007 income tax form. This will allow new electors, especially youth, to be added directly to the Register. The changes will begin to yield results in fall 2008.

The statutory report on the September 2007 by-elections (posted on the Elections Canada Web site) contains details of the implementation of the provisions of Bill C-31.

- A more advanced, automated Quality Measurement System (QMS) was implemented to assist in managing the National Register of Electors. The system allows the agency to prepare quality estimates more efficiently. Using QMS information, Elections Canada can accurately inform stakeholders about the quality of data in the Register.
- New geographic tools and maps were created to facilitate the grouping and location of advance polling districts and polling sites, and to help in determining an elector's electoral district and polling division. These changes ultimately make voting more accessible for Canadians and improve the administration of polling station activities for election officials.
- Approximately 10,100 polling divisions, 800 mobile polls and 2,070 advance polling districts were revised on the basis of recommendations received from returning officers. The aim was to reduce waiting times resulting from high voter turnout.

- Returning officers were appointed and trained in accordance with the provisions of the *Federal Accountability Act*. During the reporting period, 24 returning officers resigned. Another six positions had fallen vacant before the start of the fiscal year. To fill all the vacancies, 30 returning officers were appointed. Of these, 27 were trained at Elections Canada in Ottawa.
- An amendment was proposed to the Tariff of Fees for election workers. It suggested rates intended to reflect the increasing degree of responsibility and complexity required for specific management positions, and to provide adequate remuneration for all other positions. The proposed rates will allow for the continued hiring and retention of a sufficient number of qualified persons for elections, while reducing the costs associated with hiring and training, and facilitating the implementation of process innovations and improvements.

### **Public Education and Information, and Support for Stakeholders**

Within this mandated priority, Elections Canada achieved the following deliverables:

- The Community Relations Officer Program was expanded to include any electoral district with a post-secondary institution. This gave the program greater scope, presence and visibility. The result was improved transmission and availability of electoral information for young electors.
- The Chief Electoral Officer appeared before Parliament several times between April 1, 2007, and March 31, 2008, to give technical advice and answer questions about several legislative initiatives. Transcripts for all appearances are posted on the Elections Canada Web site at [www.elections.ca](http://www.elections.ca). Click on Media > Statements and Speeches.

### **Corporate Services and Enablers**

Within this priority, Elections Canada achieved the following deliverables:

- A new strategic plan was developed to establish our priorities for the next five years and to respond to opportunities and challenges of the environment in which we operate. This was accompanied by internal governance changes, which included the adoption of a new business planning cycle and process. To better support the Chief Electoral Officer and empower managers, three new committees were created: the Regulatory and Compliance Committee, the Electoral Readiness Committee, and the Information Management and Technology Committee.
- As a result of a broadened mandate and the need to stabilize operations, the agency made a submission to the Treasury Board of Canada, seeking to increase our annual funding so that we will be able expand our base of indeterminate employees. More such employees are required to increase our capacity to address changes introduced to the political financing regime in 2004 and other recent changes resulting from the 2006 *Federal Accountability Act*, to support the renewal of our information technology (IT) environment, and to enable the agency to deal with other urgent and mission-critical pressures.

- Amendments to the delegations of authorities within Elections Canada were proposed to ensure appropriate operational management and financial controls of the agency’s decision-making process. The amendments ensure that controls contribute to effective program delivery and ensure sound accountability in the exercise of authority.
- A risk-based internal audit plan for 2008–2009 through 2010–2011 was developed to ensure appropriate coverage of the activities of Elections Canada.
- An independent Audit Committee was established to provide guidance to the Chief Electoral Officer on governance, risk management, control, audit and reporting practices.
- Final testing of new hardware and software for local offices was completed. The new technology was successfully deployed in field offices for the March 2008 by-elections. The upgrade allowed the agency to continue supporting the electoral process with existing field systems. It also positioned the agency to support the new systems to be delivered under the Information Technology Renewal initiative.

These actions were consistent with our established plans and priorities. By accomplishing them, the agency was able to continue fulfilling its strategic outcome during the reporting period.

## ***2. Agency Context and Operating Environment***

The following operating factors influenced the performance of the agency during this reporting period.

### **New Legislation**

Elections Canada must continually monitor and respond to legislative initiatives and judicial decisions. Of particular significance were the changes implemented in 2007–2008 resulting from the passage of the *Federal Accountability Act* (S.C. 2006, c. 9); these included modifications to political financing rules (rules governing gifts), as well as the application of the *Access to Information Act* to Elections Canada. In addition, legislative changes introduced by Bill C-31, *An Act to amend the Canada Elections Act and the Public Service Employment Act* (S.C. 2007, c. 21), concerning new voter identification procedures, were implemented in the by-elections held on September 17, 2007, and March 17, 2008. Further changes resulting from the passage of Bill C-18, *An Act to amend the Canada Elections Act (verification of residence)* (S.C. 2007, c. 37) were implemented during the March 17, 2008, by-elections.

A detailed description of new legislative initiatives and judicial decisions is provided in Section IV, “Other Items of Interest.”

### ***Strategic Plan 2008–2013***

In fall 2007, Elections Canada completed the development of a strategic plan to guide its activities through 2013. The plan established three strategic objectives (trust, accessibility and engagement) and identified four key enablers (human resources, information technology, governance and communications). All are essential for the agency to deliver our mandate and achieve our strategic outcome.

Among high priorities for 2008–2009 are the first steps in implementing the Strategic Plan and the long-term action plan for each enabler.

### **Risks and Challenges**

- The length of Elections Canada’s business cycle continues to vary in the ongoing situation of minority governments. The uncertainty makes planning and delivery challenging. We must continually monitor parliamentary and political events and trends so that we can take into account circumstances that might affect our electoral readiness and preparations for electoral events. Maintaining a constant state of readiness also imposes a strain on the organization. The pressure has increased with the succession of minority governments, the heavier volume of work resulting from closely spaced general elections, recent far-reaching electoral reform and further proposed significant changes to the electoral process.
- The regulatory regime for electoral events has become highly complex, imposing demands that are daunting. The result is that many individuals hesitate to become financial or official agents. In fact, many entities find the regulatory burden excessive. Nonetheless, the regulatory framework and the transparency it provides are crucial in supporting public trust in political entities. The regulatory framework for political financing is expected to continue to evolve significantly and rapidly, presenting new responsibilities and challenges for Elections Canada. The agency does not set regulations. However, through administrative decisions such as the adoption of interpretations and positions, it sets precedents on regulatory matters that affect political entities. In performing this role, Elections Canada must first ensure that the administrative requirements are tailored and smart, and that they facilitate compliance, provide for an efficient process, and do not create undue difficulties for political entities in carrying out their core activities. At the same time, the agency must continue to ensure a level of integrity in the system, warranting ongoing public confidence.
- As a result of successive electoral reforms, Elections Canada’s role in regulating some aspects of the electoral process has grown considerably, particularly in connection with acceptable pieces of identification for electors and political financing. This has necessarily increased the regulatory presence of the agency requiring us to divert resources from other activities. Therefore, we may need to realign priorities.



- Significant investments are needed now to renew our information technology (IT) infrastructure; we had no choice but to stretch its lifespan to meet our ongoing readiness goals in the context of minority governments. The existing IT environment has reached the limits of its capability and cannot be augmented further to meet new and ongoing requirements. The situation affects every aspect of the IT environment. To address this risk, an IT renewal initiative has begun and will, over a period of years, replace our current infrastructure with one better suited to our needs.



## Section II – Analysis of Program Activities by Strategic Outcome

### Introduction

Elections Canada operates under a Program Activity Architecture (PAA) that contains one main strategic outcome:

*An electoral process that contributes to fairness, transparency and accessibility for all participants, in compliance with the legislative framework.*

The PAA contains one program activity – elections.

#### Program Activity: Elections

Financial Resources (\$ thousands)		
Planned Spending	Authorities	Actual Spending
\$104,422	\$122,185	\$120,740

Human Resources (FTEs)		
Planned	Actual	Difference
387	423	36

Elections Canada is committed to providing four key programs that are beneficial to Canadians:

- delivering federal elections, by-elections and referendums that maintain the integrity of the electoral process, and administering the political financing provisions of the *Canada Elections Act*
- achieving and maintaining a state of readiness to deliver electoral events whenever they may be called, and improving the delivery of electoral events
- providing timely and high-quality public education and information programs, as well as assurance that support on electoral matters is available to the public, parliamentarians, political entities and other stakeholders
- administering the *Electoral Boundaries Readjustment Act*, under which readjustment of federal electoral boundaries is carried out by independent commissions after each decennial (10-year) census to reflect changes and movements in Canada’s population

We also identified major initiatives to improve our internal services and operations. These initiatives will increase our efficiency and ultimately our ability to deliver our strategic outcome to Canadians more effectively. The initiatives planned for 2007–2008 were described in the 2007–2008 *Report on Plans and Priorities* under “Key Program 5: Other Programs and Services.”

## Key Program 1: Electoral Event Delivery, Political Financing, and Compliance and Enforcement

### Expected Results:

- delivery of high-quality elections, by-elections and referendums at all times
- fair, efficient and transparent administration of the political financing provisions
- effective compliance and enforcement programs, in accordance with legal requirements

### Planned Spending

Financial Resources (\$ thousands)		
Planned Spending	Authorities	Actual Spending
\$34,251	\$42,438	\$42,249

### Sub-programs

This key program is delivered via three sub-programs:

- *Electoral Event Delivery* – When required by Parliament, delivers federal elections, by-elections and referendums that maintain the integrity of the electoral process.
- *Political Financing* – Administers the provisions of the *Canada Elections Act* related to political financing.
- *Compliance and Enforcement* – Addresses complaints about contraventions of the *Canada Elections Act*.

### Performance Highlights

Expected Results	Results Achieved	Additional Information/ Lessons Learned/Areas for Improvement
<b>Electoral Event Delivery</b>		
<ul style="list-style-type: none"> <li>• Successful delivery of the electoral process as prescribed in the <i>Canada Elections Act</i></li> </ul>	<p>Successful administration and delivery of the following by-elections:</p> <ul style="list-style-type: none"> <li>• By-elections on September 17, 2007, in three electoral districts. The report on the by-elections is posted on the Elections Canada Web site at: <a href="http://www.elections.ca/gen/rep/re2/sta_2007/by2007stat_e.pdf">www.elections.ca/gen/rep/re2/sta_2007/by2007stat_e.pdf</a>.</li> </ul>	<p>Areas for improvement in event delivery include:</p> <ul style="list-style-type: none"> <li>• Refinement of implementation of new voter identification rules for specific groups, including seniors.</li> <li>• An evaluation of the application of Bill C-31's new voter identification requirements during the by-elections is posted on the Elections Canada Web site at: <a href="http://www.elections.ca/loi/res/eval/report2_e.pdf">www.elections.ca/loi/res/eval/report2_e.pdf</a>.</li> </ul>

Expected Results	Results Achieved	Additional Information/ Lessons Learned/Areas for Improvement
	<ul style="list-style-type: none"> <li>• By-elections on March 17, 2008, in four electoral districts.</li> </ul>	<ul style="list-style-type: none"> <li>• The complexity of the voting process requires a review of poll official training.</li> <li>• Elections Canada needs to check whether the new identification requirements create barriers for seniors in long-term care facilities and voters in rural and isolated environments.</li> </ul>
<b>Political Financing</b>		
<ul style="list-style-type: none"> <li>• Ensure that all political entities are aware of the new political financing rules in the <i>Federal Accountability Act</i>, and ensure that transparency standards are maintained on Web publication of political entity financial returns</li> </ul>	<ul style="list-style-type: none"> <li>• New forms, manuals and other guidance materials were completed and placed on the Elections Canada Web site.</li> <li>• The financial return Web publishing system and the Electronic Financial Returns (EFR) software application were revised.</li> </ul>	<ul style="list-style-type: none"> <li>• Document revisions and system changes were needed to accommodate new financial return forms that take into account the ban on contributions from corporations, trade unions and other organizations, lower contribution limits, the new limit on cash contributions, and new gift reporting provisions for candidates.</li> <li>• EFR was made available for download from the Elections Canada Web site. Multimedia kits were warehoused for distribution to candidates in the 40th general election.</li> </ul>
	<ul style="list-style-type: none"> <li>• Information sessions were conducted for 333 financial agents of registered electoral district associations. The sessions were designed to explain changes to the materials and EFR, and to increase the adoption rate of the EFR software.</li> </ul>	<ul style="list-style-type: none"> <li>• 98% of the participants who completed the evaluation found that the information session met objectives, and 96% rated session quality as very good to excellent.</li> </ul>

Expected Results	Results Achieved	Additional Information/ Lessons Learned/Areas for Improvement
<ul style="list-style-type: none"> <li>Review files to verify compliance with the financing provisions of the <i>Canada Elections Act</i>, and to determine the reimbursement or subsidy amount to be paid to a political entity and/or its auditor, as required by the Act.</li> </ul>	<p>Results as of March 31, 2008:</p> <ul style="list-style-type: none"> <li>39th general election candidates' returns: the review process was completed for 93% of files; payment was made on 96% of files eligible for partial reimbursement of election expenses; and 97% of audit subsidies were paid.</li> </ul>	<ul style="list-style-type: none"> <li>Electoral reforms and the complexity of the <i>Canada Elections Act</i> have substantially increased the compliance and financial reporting requirements for political entities. This has increased the error rate and non-compliance of returns, necessitating more time to complete the process.</li> </ul>
	<ul style="list-style-type: none"> <li>Quarterly allowances were paid to political parties in accordance with the Act. Allowances payable from April 1, 2007, to March 31, 2008, to the five eligible parties totalled \$28,015,932.72.</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly allowances are paid as soon as practicable after the end of the quarter. All allowance payments were issued within one week of the quarter end.</li> </ul>
<b>Compliance and Enforcement</b>		
<ul style="list-style-type: none"> <li>Effective compliance and enforcement programs and electoral events, in accordance with legal requirements</li> </ul>	<ul style="list-style-type: none"> <li>The agency assessed, investigated and resolved complaints about contraventions of the <i>Canada Elections Act</i> related to the 38th and 39th general elections, as well as to by-elections in seven electoral districts in 2007–2008.</li> <li>At the beginning of 2007–2008 there were 401 ongoing cases. During the year 411 new cases were opened. On March 31, 2008, there were still 251 ongoing cases, 70 of which were at the investigation stage.</li> <li>Throughout the year, 177 cases were resolved by counsel, 52 caution letters* were sent, and 4 compliance agreements were signed. Two prosecutions were completed; one was ongoing as of March 31, 2008.</li> </ul>	<p>Additional information:</p> <ul style="list-style-type: none"> <li>As a result of the coming into force of the <i>Federal Accountability Act</i>, prosecutions under the <i>Canada Elections Act</i> initiated after December 12, 2006, are conducted by the Director of Public Prosecutions.</li> <li>Careful examination of complaints and referrals enabled Elections Canada to highlight systemic breaches of the Act. Measures were undertaken to correct these, mainly through direct communication with external stakeholders and contribution to information materials produced by the Political Financing and Audit Division.</li> </ul>

\*A caution letter is used as an informal enforcement measure.

## Key Program 2: Electoral Event Readiness and Improvements

### Expected Result:

- readiness to deliver electoral events whenever they may be called

### Planned Spending

Financial Resources (\$ thousands)		
Planned Spending	Authorities	Actual Spending
\$59,344	\$72,553	\$71,515

### Sub-program

This key program is delivered via one sub-program:

- *Electoral Event Readiness and Improvements* – Electoral processes, systems, databases and materials are up to date; staff and election officers are well trained and ready for any electoral event.

### Performance Highlights

Expected Results	Results Achieved	Additional Information/ Lessons Learned/Areas for Improvement
<b>Electoral Event Readiness and Improvements</b>		
<ul style="list-style-type: none"> <li>• Achieve and maintain a state of readiness to deliver electoral events whenever they may be called, and improve the delivery of electoral events</li> </ul>	<ul style="list-style-type: none"> <li>• Successful and timely implementation of bills C-31 and C-18</li> </ul>	<ul style="list-style-type: none"> <li>• Following the September 2007 by-elections, Elections Canada assessed the impact of the new voter identification requirements.</li> </ul>
	<ul style="list-style-type: none"> <li>• Staffing actions were conducted on an as-needed basis throughout 2007–2008 to maintain electoral event readiness.</li> </ul>	<ul style="list-style-type: none"> <li>• In the minority government context, staff deployment decisions have assumed greater importance and need to be made on a more regular basis. Elections Canada is developing a financial framework to ensure that it continues to administer this function efficiently.</li> </ul>

Expected Results	Results Achieved	Additional Information/ Lessons Learned/Areas for Improvement
	<ul style="list-style-type: none"> <li>Completed several phases of returning officers' pre-event activities, with the aim of updating Elections Canada's information and helping returning officers prepare for a general election.</li> </ul>	<ul style="list-style-type: none"> <li>In the context of minority government, pre-event and pre-writ activities played a major role in the event readiness program. They were undertaken in connection with several confidence votes.</li> <li>Two significant readiness exercises were conducted in the Spring and Fall of 2007. They included the review of the targeted revision address lists, verification of availability of key staff, RO office and local service providers.</li> <li>A service standards document will be developed with stakeholders to provide more efficient service.</li> <li>Long-term planning of pre-event activities (validation phases) will help the organization to maintain the level of readiness needed and financial commitments.</li> </ul>
	<ul style="list-style-type: none"> <li>On an ongoing basis, we identified potential returning offices and rented telephones to ensure the rapid installation of phone service at the start of an electoral event.</li> </ul>	<ul style="list-style-type: none"> <li>The agency is examining options to reduce ongoing costs while maintaining the capability to provide the required services within a very short time frame.</li> </ul>
	<ul style="list-style-type: none"> <li>The National Register of Electors was updated regularly to maintain or improve the quality, currency and coverage of the lists of electors. As of March 31, 2008, the Register included 93% (<math>\pm 2\%</math>) of all eligible electors (coverage), with 83% (<math>\pm 2\%</math>) of them listed at their correct residential address (currency).</li> </ul>	<ul style="list-style-type: none"> <li>We exceeded our current targets of 92% for coverage and 77% for currency.</li> <li>The existing 77% target for currency will be increased to 80% in 2008–2009.</li> </ul>



Expected Results	Results Achieved	Additional Information/ Lessons Learned/Areas for Improvement
<ul style="list-style-type: none"> <li>Improved delivery of electoral events in response to stakeholders' concerns and expectations</li> </ul>	<ul style="list-style-type: none"> <li>A more advanced, automated Quality Measurement System was implemented to assist in managing the National Register of Electors. QMS allows the agency to prepare quality estimates more efficiently. QMS has reduced the time required to run baseline programs from two weeks to a few hours, and has reduced the time required for staff to prepare quality estimates by two weeks.</li> </ul>	<ul style="list-style-type: none"> <li>The quality estimates were used to recalibrate the new QMS model and identify how to focus our quality improvement efforts.</li> <li>With QMS information, stakeholders are accurately informed of the quality of data in the Register.</li> </ul>
	<ul style="list-style-type: none"> <li>The agency conducted a second Data Quality Confirmation Study to provide external estimates of the quality and accuracy of the Register's information. The study confirmed that the Register includes approximately 94% of eligible electors, with some 83% of them listed at their correct address.</li> </ul>	<ul style="list-style-type: none"> <li>The results of the study allowed us to benchmark the estimates produced during the year from the quality model.</li> <li>The value of conducting the study again will be assessed.</li> </ul>
	<ul style="list-style-type: none"> <li>New geographic tools and maps were created to facilitate the grouping and location of advance polling districts and polling sites, and to help in determining an elector's electoral district and polling division. These changes ultimately make voting more accessible for Canadians and improve the administration of polling station activities for election officials.</li> </ul>	

Expected Results	Results Achieved	Additional Information/ Lessons Learned/Areas for Improvement
	<ul style="list-style-type: none"> <li>Elections Canada developed a strategic management framework that sets the structure and direction of initiatives aimed at improving voter accessibility, including electronic registration.</li> </ul>	<ul style="list-style-type: none"> <li>On-line Voter Registration, designed to increase the registration and participation of eligible voters in electoral events, was reassessed and committed to the Strategic Plan timeline under the accessibility strategic objective.</li> </ul>
	<ul style="list-style-type: none"> <li>The functional design and application design phases of the Special Voting Rules (SVR) development project were completed within the established budget and timeline.</li> </ul>	<ul style="list-style-type: none"> <li>The new SVR system is expected to be ready during the summer of 2009. It will replace existing systems, which have reached their maximum capacity.</li> <li>The new system will enable Elections Canada to manage SVR elector application forms more effectively and efficiently, maintain the register of electors residing temporarily outside Canada, and maintain stakeholder information.</li> </ul>

### **Key Program 3: Public Education, Information and Support for Stakeholders**

#### **Expected Results:**

- timely and high-quality electoral public education and information programs
- electoral processes that are better known to the public, particularly persons and groups most likely to experience difficulties in exercising their democratic rights

#### **Planned Spending**

Financial Resources (\$ thousands)		
Planned Spending	Authorities	Actual Spending
\$10,827	\$7,194	\$6,976

## Sub-programs

This key program is delivered via four sub-programs:

- *Voter Education and Outreach – Voter Education* informs and educates electors about upcoming federal elections, by-elections and referendums, as required. *Outreach* informs and educates specific groups of electors with targeted communications designed to fulfill one of our strategic objectives. Under our engagement strategic objective, we want to increase young Canadians’ understanding of the importance of voting and becoming candidates in elections.
- *Corporate Research* plans and conducts research on Canada’s electoral process, and assists the agency in evaluating its key initiatives, including the use of post-election studies.
- *Support for Stakeholders* provides both parliamentarians and political parties with advice and support, including expertise and technical advice regarding electoral legislation initiatives.
- *International Research and Co-operation* researches and monitors international best practices and innovations in election administration, provides training, and coordinates information exchanges with similar agencies in other countries.

## Performance Highlights

Expected Results	Results Achieved	Additional Information/ Lessons Learned/Areas for Improvement
<b>Voter Education and Outreach</b>		
<ul style="list-style-type: none"> <li>• Promote awareness among electors about their right to vote, key dates in the electoral calendar, and voting rules and procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Outreach and communications activities for the September 2007 by-elections incorporated new key messages related to Bill C-31. The messages informed and reminded electors that, in order to vote, they must prove their identity and address, and also explained the various ways they could do this.</li> </ul>	<ul style="list-style-type: none"> <li>• After analyzing the evaluation of the September 2007 and March 2008 by-elections, Elections Canada will identify and implement additional activities for informing groups of electors about the requirement to present identification at the polls – e.g. electors residing in northern electoral districts.</li> </ul>
<ul style="list-style-type: none"> <li>• Strengthen relationships with student federations, make voting more accessible for students in residences and refine methods for communicating with youth</li> </ul>	<ul style="list-style-type: none"> <li>• To increase awareness of the federal electoral process, the Community Relations Officer Program was expanded to include any electoral district with a post-secondary institution. This gave the program greater scope, presence and visibility.</li> </ul>	<ul style="list-style-type: none"> <li>• Elections Canada is currently developing a framework for conducting its general outreach activities.</li> </ul>

<b>Expected Results</b>	<b>Results Achieved</b>	<b>Additional Information/ Lessons Learned/Areas for Improvement</b>
<ul style="list-style-type: none"> <li>• Enhance access to the electoral process for electors with visual disabilities</li> </ul>	<ul style="list-style-type: none"> <li>• Elections Canada worked closely with associations representing electors with visual impairments to further improve its existing ballot template, and to develop a large print ballot mock-up that will be available at all polls.</li> <li>• All new documents posted on Elections Canada's Web site are now coded to provide full accessibility for persons with a visual impairment.</li> <li>• A new Web page has recently been added for voters with special needs.</li> </ul>	
<ul style="list-style-type: none"> <li>• Engage ethnocultural communities by developing formal partnerships with organizations and making services available in a wide variety of languages</li> </ul>	<ul style="list-style-type: none"> <li>• Elections Canada translated the text of the by-election householder flyer into 27 heritage languages and posted the information on its Web site. The flyer gave details about the new rules for proving identity and address, and acceptable pieces of identification.</li> </ul>	<ul style="list-style-type: none"> <li>• To inform new Canadians of identification requirements, Elections Canada will continue to engage organizations representing ethnocultural groups.</li> </ul>
<ul style="list-style-type: none"> <li>• Strengthen and expand our outreach to Aboriginal electors through partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• To continue making the electoral process more accessible to Aboriginal electors, Elections Canada renewed its partnership with the Assembly of First Nations (AFN). Focus groups and an Aboriginal youth forum were held. According to post-forum activity reports, the event increased participants' awareness of the electoral process.</li> </ul>	<ul style="list-style-type: none"> <li>• The AFN also developed a voter handbook, an information kiosk, a page on its Web site and a script for a public service announcement to encourage Aboriginal voter turnout.</li> </ul>

Expected Results	Results Achieved	Additional Information/ Lessons Learned/Areas for Improvement
<b>Corporate Research</b>		
<ul style="list-style-type: none"> <li>Increase agency knowledge of electoral matters</li> </ul>	<ul style="list-style-type: none"> <li>In 2006, Elections Canada commissioned four concept papers. These have increased our understanding of the electoral participation of youth, Aboriginal people, ethnocultural communities and electors with special needs. The papers have also helped us to identify best practices for reaching these groups and to make the voting process more accessible.</li> <li>Elections Canada provided support for studies of electoral participation by youth, including three studies on youth engagement with the Canadian Policy Research Networks.</li> <li>Another study by Professor André Blais examined how extended advance voting might affect voter turnout. Elections Canada commissioned the study to gain a better understanding of the potential impacts of Bill C-16, <i>An Act to amend the Canada Elections Act (expanded voting opportunities)</i> (previously Bill C-55).</li> </ul>	<ul style="list-style-type: none"> <li>The concept papers were published in early Spring 2008 on Elections Canada’s Web site (<a href="http://www.elections.ca">www.elections.ca</a>). Go to Publications &gt; On-line Publications &gt; Working Paper Series on Electoral Participation and Outreach Practices (under the Policy and Research heading).</li> <li>The studies on youth engagement will contribute to the development of our outreach and research action plan.</li> <li>The studies have improved our understanding of why and how young people engage in civic and political activities.</li> <li>The studies on youth engagement will contribute to the development of our outreach and research action plan.</li> </ul>
<ul style="list-style-type: none"> <li>Develop a corporate research plan to strengthen Elections Canada’s knowledge of electoral matters and support the decision-making process</li> </ul>	<ul style="list-style-type: none"> <li>None to date</li> </ul>	<ul style="list-style-type: none"> <li>The development of a corporate research framework has been delayed to 2008–2009 and is part of the Report on Plans and Priorities for the current fiscal year.</li> </ul>

Expected Results	Results Achieved	Additional Information/ Lessons Learned/Areas for Improvement
<b>Support for Stakeholders</b>		
<ul style="list-style-type: none"> <li>Continue to provide stakeholders with advice and support, including expertise and technical advice in support of initiatives to review electoral legislation</li> </ul>	<ul style="list-style-type: none"> <li>The Chief Electoral Officer appeared before parliamentary committees examining several legislative initiatives. Meetings of the Advisory Committee of Political Parties (ACPP) were held on various topics. The application of new voter identification requirements were assessed during the September 2007 and March 2008 by-elections, and the results were reported to stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>At the October 2007 meeting with the ACPP, members had the opportunity to discuss potential problems and solutions in connection with implementing Bill C-31 in rural areas. As a result Bill C-18 was adopted quickly, to the satisfaction of all stakeholders.</li> </ul>
<b>International Research and Co-operation</b>		
<ul style="list-style-type: none"> <li>Learn from other electoral authorities and international organizations, and share knowledge and expertise with them</li> </ul>	<ul style="list-style-type: none"> <li>Elections Canada undertook a study visit to Scotland during its 2007 elections.</li> </ul>	<ul style="list-style-type: none"> <li>This activity provided an understanding of Scotland's implementation of the single transferable vote and electronic counting technology. Elections Canada shared what it had learned with parliamentary committees.</li> </ul>
	<ul style="list-style-type: none"> <li>Elections Canada participated in a visitors' program during Australia's 2007 general election.</li> </ul>	<ul style="list-style-type: none"> <li>This program enabled the agency to monitor Australia's pilot project testing electronic voting for out-of-country voters and voters with visual impairments. These two innovations are central to Elections Canada's Strategic Plan.</li> </ul>
	<ul style="list-style-type: none"> <li>Elections Canada joined with the electoral management bodies (EMBs) of the UK, Australia and New Zealand to facilitate the exchange of information between similar Commonwealth organizations.</li> </ul>	<ul style="list-style-type: none"> <li>A first workshop was held in the UK, enabling EMBs to gain knowledge on regulatory and political financing matters. The workshop was well received and will be repeated in Canada in 2009.</li> </ul>

Expected Results	Results Achieved	Additional Information/ Lessons Learned/Areas for Improvement
<ul style="list-style-type: none"> <li>Participate in international forums and projects to advance electoral knowledge and expertise</li> </ul>	<ul style="list-style-type: none"> <li>Elections Canada participated in multiple international forums, including the Law and Society Association annual meeting in Berlin, the fourth European Conference of Electoral Management Bodies in Strasbourg, and the International Seminar on Electoral Modernization and Reform in Mexico.</li> <li>Elections Canada also enhanced its contribution to the Administration and Cost of Elections (ACE) Electoral Knowledge Network, transforming it into a popular resource and Web site that attracts around 100,000 visits each month. The Network is an initiative of the Administration and Cost of Elections Project, an international partnership.</li> </ul>	<ul style="list-style-type: none"> <li>Elections Canada's participation in these forums and projects helped advance the agency's electoral knowledge and expertise in fields such as electronic voting, voter awareness and engagement, regulatory affairs, and accessibility issues.</li> </ul>

### **Key Program 4: Electoral Boundaries Redistribution**

#### **Expected Result:**

- efficient and non-partisan administration of the *Electoral Boundaries Readjustment Act*

#### **Planned Spending**

Financial Resources (\$ thousands)		
Planned Spending	Authorities	Actual Spending
\$0	\$0	\$0

## Sub-program

This program activity is delivered via one sub-program:

- *Electoral Boundaries Redistribution* – After each decennial (10-year) census, representation in the House of Commons is readjusted to reflect changes and movements in Canada’s population. Readjustment of federal electoral boundaries is carried out by independent commissions in each province, with the support of Elections Canada.

## Performance Highlights

This priority was last completed in May 2004 with the coming into force of the Representation Order of 2003. Planning will begin in 2008–2009 to receive the 2011 census return, after which redistribution will formally begin again.

## Corporate Services and Enablers

### Expected Results:

- improved support for the agency’s mandated and strategic priorities
- strengthened business planning, reporting and accountability through results-based management

Financial Resources (\$ thousands)		
Planned Spending	Authorities	Actual Spending
Included in other sub-programs		

## Performance Highlights

Expected Results	Results Achieved	Additional Information/ Lessons Learned/Areas for Improvement
<b>Human Resources Modernization</b>		
<ul style="list-style-type: none"> <li>• Adapt the agency’s human resources management system to the substantial changes arising from the <i>Public Service Modernization Act</i></li> </ul>	<ul style="list-style-type: none"> <li>• To comply with the <i>Public Service Modernization Act</i>, the Executive Committee has approved three policies concerning area of selection, corrective action and revocation, and guidelines and criteria for non-advertised appointment processes. Overall, the aim is to provide consistency, governance and guidance to managers in managing their human resources.</li> </ul>	<ul style="list-style-type: none"> <li>• The Staffing Management and Accountability Framework has been modified considerably. It now emphasizes results in terms of flexibility, efficiency, effectiveness, merit, political impartiality and values.</li> <li>• Human Resources will seek managers’ input to update the three mandatory policies, which are due for review in December 2008.</li> </ul>



Expected Results	Results Achieved	Additional Information/ Lessons Learned/Areas for Improvement
<ul style="list-style-type: none"> <li>Finalize a human resources master plan for the agency to accurately identify operational and strategic requirements</li> </ul>	<ul style="list-style-type: none"> <li>Individual sectors' human resources plans were developed. These will enable the agency to adopt a comprehensive and coordinated strategic approach to managing its human resources initiatives and needs.</li> </ul>	<ul style="list-style-type: none"> <li>Work will start in 2008–2009 to develop an overall human resources strategic plan supporting the agency's long-term direction.</li> </ul>
<ul style="list-style-type: none"> <li>Focus on human resources management by identifying key staff issues and concerns</li> </ul>	<ul style="list-style-type: none"> <li>In October 2007, we administered an agency-wide employee survey to identify staff issues and concerns. The aim is to foster a vision of Elections Canada as an employer of choice.</li> </ul>	<ul style="list-style-type: none"> <li>In 2008–2009, we will conduct post-survey focus groups with employees and managers to better understand issues and properly target our efforts.</li> </ul>
<b>Performance Management Framework</b>		
<ul style="list-style-type: none"> <li>Improve delivery of Elections Canada's mandate by establishing strategic objectives and setting priorities for the next five years</li> </ul>	<ul style="list-style-type: none"> <li>The agency developed its <i>Strategic Plan 2008–2013</i>. This will help the agency make choices to manage its organizational capacity. The Plan was shared with all Elections Canada personnel (including field employees) and other stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Elections Canada will develop action plans for each of the four enablers (human resources, information technology, governance and communications) identified in the Strategic Plan.</li> <li>The Plan will start to be implemented in 2008–2009. The progress and results achieved in the first year will be reported in the 2008–2009 Departmental Performance Report.</li> </ul>
<ul style="list-style-type: none"> <li>Enhance the quality of performance measurement by developing and implementing a corporate-level framework for performance measurement and ongoing activities</li> </ul>	<ul style="list-style-type: none"> <li>A strategy for implementing a performance measurement framework was developed to give clear direction to the project.</li> </ul>	<ul style="list-style-type: none"> <li>After giving high priority to development of the Strategic Plan in 2007–2008, the agency will commence formal work on the performance measurement framework in September 2008.</li> </ul>

Expected Results	Results Achieved	Additional Information/ Lessons Learned/Areas for Improvement
<ul style="list-style-type: none"> <li>Streamline planning and reporting activities</li> </ul>	<ul style="list-style-type: none"> <li>A new planning cycle was adopted to allow for the streamlining of planning and reporting activities, an increased focus on results, and better alignment with corporate priorities.</li> </ul>	<ul style="list-style-type: none"> <li>Elections Canada will conduct a post-mortem session to evaluate the effectiveness of the new planning process and make adjustments where required.</li> </ul>
<b>Resource Management and Delegation of Authority</b>		
<ul style="list-style-type: none"> <li>Improve delivery of Elections Canada's mandate by obtaining the necessary resources to implement electoral reforms, improve our IT infrastructure and carry out initiatives resulting from the <i>Federal Accountability Act</i></li> </ul>	<ul style="list-style-type: none"> <li>The agency developed a Treasury Board submission and received approval.</li> <li>Staffing of new positions has begun and is scheduled to be completed by 2010–2011.</li> </ul>	<ul style="list-style-type: none"> <li>Staffing of new positions will continue in 2008–2009.</li> </ul>
<ul style="list-style-type: none"> <li>Improve delivery of Elections Canada's mandate by ensuring appropriate operational management and financial controls of the agency's decision-making process. The amendments ensure that controls contribute to effective program delivery and sound accountability in the exercise of authority</li> </ul>	<ul style="list-style-type: none"> <li>A risk-based delegation framework was implemented.</li> <li>Financial and human resources delegations were updated.</li> </ul>	<ul style="list-style-type: none"> <li>Work will continue in 2008–2009 to update other types of delegations.</li> </ul>
<b>Internal Audit</b>		
<ul style="list-style-type: none"> <li>Establish the internal audit function to meet Treasury Board policy requirements and provide assurance to the Chief Electoral Officer and senior management on governance, risk management and control</li> </ul>	<ul style="list-style-type: none"> <li>The agency developed a business plan and transition strategy to implement the internal audit policy.</li> <li>We developed a risk-based internal audit plan for fiscal years 2008–2009 through 2010–2011 to ensure appropriate coverage of the activities of Elections Canada.</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>

Expected Results	Results Achieved	Additional Information/ Lessons Learned/Areas for Improvement
	<ul style="list-style-type: none"> <li>We initiated a follow-up audit on the recommendations included in Chapter 6 of the November 2005 Report to Parliament of the Auditor General of Canada, providing the findings of a performance audit of Elections Canada.</li> </ul>	
<ul style="list-style-type: none"> <li>Establish an independent audit committee to provide guidance to the Chief Electoral Officer on governance, risk management, control, audit and reporting practices</li> </ul>	<ul style="list-style-type: none"> <li>External members were recruited and an orientation session was held.</li> <li>The process to support the Committee was established.</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>
<b>Information Technology Renewal</b>		
<ul style="list-style-type: none"> <li>Replace or upgrade technology infrastructure and field systems to provide a more reliable IT platform for future electoral events</li> </ul>	<ul style="list-style-type: none"> <li>Final testing of new hardware and software for local offices has been completed. The field hardware was successfully utilized in the March 2008 by-elections.</li> </ul>	<ul style="list-style-type: none"> <li>Some minor changes are required to field hardware configuration and application software. Implementation of these changes should be completed by February 2009.</li> </ul>
<ul style="list-style-type: none"> <li>Conduct the procurement activities required for the modernization of the Elections Canada IT environment</li> </ul>	<ul style="list-style-type: none"> <li>We have partially completed establishing contracts with private-sector partners for goods and services needed to transform the agency's technology and systems.</li> </ul>	<ul style="list-style-type: none"> <li>Procurement expertise availability is a government-wide concern. The project has relied on contracted procurement specialists to ease the process where possible.</li> <li>IT renewal is a multi-year initiative modernizing the agency's IT infrastructure and field applications. The aim is to facilitate business changes and comply with requirements of evolving legislation.</li> </ul>



## Section III – Supplementary Information

### Financial Tables

In 2007–2008, the following financial tables were applicable to Elections Canada’s operations.

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

(\$ thousands)	2005–2006 Actual	2006–2007 Actual	2007–2008			
			Main Estimates	Planned Spending	Total Authorities	Actual
1. Electoral event delivery, political financing, and compliance and enforcement	256,401	40,239	34,251	34,251	42,438	42,249
2. Electoral event readiness and improvements	50,899	68,435	59,344	59,344	72,553	71,515
3. Public education and information, and support for stakeholders	7,084	6,542	10,827	10,827	7,194	6,976
4. Electoral boundaries redistribution	3	–	–	–	–	–
<b>Total</b>	314,387	115,216	104,422	104,422	122,185	120,740
Less: Non-responsible revenue	–	–	–	–	–	–
Plus: Cost of services received without charge	5,472	5,832	–	6,369	–	6,163
<b>Total Agency Spending</b>	319,859	121,048	104,422	110,791	122,185	126,903
<b>Full-time Equivalent</b>	452	396	387	387	453	423

**Table 2: Voted and Statutory Items**

Vote Number or Statutory Item (S)	Truncated Vote or Statutory Wording	2007–2008 (\$ thousands)			
		Main Estimates	Planned Spending	Total Authorities	Actual
15	Program expenditures	21,766	21,766	22,071	20,627
S	Expenses of elections	78,398	78,398	95,168	95,167
S	Salary of the Chief Electoral Officer	231	231	253	253
S	Contributions to employee benefit plans	4,027	4,027	4,693	4,693
	<b>Total</b>	104,422	104,422	122,185	120,740

**Table 3: Details on Transfer Payment Programs (TPPs)**

<b>1) Name of Transfer Payment Program:</b> Reimbursements to candidates, parties and auditors, and allowances to eligible political parties (new political financing provisions of the <i>Canada Elections Act</i> )	
<b>2) Start Date:</b> Ongoing	<b>3) End Date:</b> Ongoing
<p><b>4) Description:</b> Elections Canada’s role is to administer the <i>Canada Elections Act</i>, which has three main objectives: fairness, transparency and participation.</p> <p>To promote fairness and participation, the Act provides for reimbursement of election expenses to candidates and parties, and a subsidy for certain auditors’ fees. A candidate who is elected or receives at least 10% of the valid votes cast at an election is entitled to a reimbursement of 60% of the election expenses limit. A registered party is eligible for reimbursement of election expenses if the party obtains 2% or more of the total valid votes cast nationally, or 5% of the valid votes cast in electoral districts where the party has endorsed candidates. The Act provides for a subsidy, equal to the lesser of \$1,500 or 3% of the candidate’s election expenses with a minimum of \$250, to be paid out of public funds directly to the candidate’s auditor.</p> <p>A registered association that has, in a fiscal period, accepted contributions or incurred expenses of \$5,000 or more in total (less transfers to other political entities), must obtain an audit report that provides an audit opinion as to whether the Registered Association Financial Transactions Return presents fairly the information contained in the financial records on which it is based. When an audit of the Registered Association Financial Transactions Return is required, the Act provides for a subsidy of a maximum of \$1,500 for the audit of the expenses. This amount is paid out of public funds directly to the electoral district association’s auditor after the Chief Electoral Officer has received the return, the auditor’s report and other documents required to accompany the return.</p> <p>For eligible political parties, the Act also provides for the payment of a quarterly allowance according to the following formula: a registered political party that obtained at least 2% of the total valid votes cast in a general election, or 5% of the valid votes cast in the ridings where it presented candidates, has the right to a quarterly allowance that is calculated as the product of \$0.4375 multiplied by the number of valid votes cast in the most recent general election preceding that quarter and the inflation adjustment factor that is in effect for that quarter.</p>	
<b>5) Strategic Outcomes:</b> To maintain and strengthen the recognition among Canadians, whether they are electors or other participants in the electoral process, that we administer the <i>Canada Elections Act</i> in a fair, consistent, effective and transparent manner.	
<b>6) Results Achieved:</b> Elections Canada issued election expense reimbursements to eligible candidates, audit subsidies to candidate and registered electoral district association auditors, and quarterly allowances to eligible registered parties in accordance with the Act.	

(\$ thousands)	7) Actual spending 2005–2006	8) Actual spending 2006–2007	9) Planned spending 2007–2008	10) Total authorities 2007–2008	11) Actual spending 2007–2008	12) Variance(s) between columns 9 and 11
<b>13) General elections and by-elections</b>						
– Candidates	24,628	(684)		158	158	(158)
– Political parties	27,998	(816)		4	4	(4)
– Candidates’ auditors	1,124	(246)		51	51	(51)
<b>14) Quarterly allowances</b>						
– Allowance to eligible political parties	24,536	27,452	28,141	28,016	28,016	125
<b>15) Electoral district associations’ auditors</b>						
– Electoral district associations’ auditors	932	879	902	804	804	98
<b>16) Total TPP</b>	<b>79,218</b>	<b>26,585</b>	<b>29,043</b>	<b>29,033</b>	<b>29,033</b>	<b>10</b>

**Table 4: Response to Parliamentary Committees and External Audits**

<b>Response to Parliamentary Committees</b>
No recommendations were received for the current reporting period.
<b>Response to the Auditor General, including to the Commissioner of the Environment and Sustainable Development</b>
No recommendations were received for the current reporting period.
<b>External Audits*</b>
*Refers to other external audits conducted by the Public Service Commission of Canada or the Office of the Commissioner of Official Languages.
The agency has nothing to report for the current reporting period.

**Table 5: Internal Audits and Evaluations**

Name of Internal Audit	Audit Type	Status	Completion Date	Electronic Link to Report
Follow-up audit to the Auditor General of Canada’s November 2005 Report to Parliament, Chapter 6, “Elections Canada – Administering the Federal Electoral Process”	Follow-up audit	In progress	September 2008	N/A





## **Financial Statements**

### **OFFICE OF THE CHIEF ELECTORAL OFFICER**

For the year ended March 31, 2008

## Management Responsibility for Financial Statements

Responsibility for the integrity and objectivity of the accompanying Financial Statements for the year ended March 31, 2008 and all information contained in these statements rests with the management of the Office of the Chief Electoral Officer (OCEO).

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 and year-end instructions issued by the Office of the Comptroller General. Some of the information in the Financial Statements is based on management's best estimates and judgements and gives due consideration to materiality. These statements should be read within the context of the significant accounting policies set out in the Notes.

Management maintains a system of financial management and internal controls designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded, resources are managed economically and efficiently in the attainment of corporate objectives, and that transactions are in accordance with the *Financial Administration Act* and regulations, the *Canada Elections Act*, the *Referendum Act*, the *Electoral Boundaries Readjustment Act* and the *Constitution Acts*.

Management is supported and assisted by a program of internal audit services. OCEO also has an independent audit committee. The responsibilities of the committee are to provide the Chief Electoral Officer with independent advice and assurance on the effectiveness of Elections Canada governance, risk management, control, audit and reporting practices.

The Auditor General of Canada, the independent auditor for the Government of Canada, has audited the transactions and the Financial Statements and issued the attached auditor's report.

Marc Mayrand  
Chief Electoral Officer of Canada

Janice Vézina  
Associate Deputy Chief Electoral Officer,  
Political Financing and Chief Financial Officer

Ottawa, Canada  
July 11, 2008



## AUDITOR'S REPORT

To the Speaker of the House of Commons

I have audited the statement of financial position of the Office of the Chief Electoral Officer as at March 31, 2008 and the statements of operations, equity of Canada and cash flow for the year then ended. These financial statements are the responsibility of the Office's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Office as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Further, in my opinion, the transactions of the Office that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Financial Administration Act* and regulations, the *Canada Elections Act*, the *Referendum Act* and the *Electoral Boundaries Readjustment Act*.

John Wiersema, FCA  
Deputy Auditor General  
for the Auditor General of Canada

Ottawa, Canada  
July 11, 2008

# OFFICE OF THE CHIEF ELECTORAL OFFICER

## Statement of Financial Position

At March 31

	(in thousands of dollars)	
	2008	2007
<b>ASSETS</b>		
<b>Financial assets</b>		
Accountable advances	\$ 3	\$ 6
Due from the Consolidated Revenue Fund	19,370	23,592
Receivables		
- from external parties	512	897
- from government departments and agencies	1,028	767
<b>Total financial assets</b>	<b>20,913</b>	<b>25,262</b>
<b>Non-financial assets</b>		
Prepaid expenses	590	907
Consumable supplies	7,549	8,733
Tangible capital assets (Note 4)	16,353	16,062
<b>Total non-financial assets</b>	<b>24,492</b>	<b>25,702</b>
<b>Total</b>	<b>\$45,405</b>	<b>\$50,964</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities		
- to external parties	\$16,775	\$20,024
- to government departments and agencies	1,907	2,059
Accrued employee salaries and benefits	1,674	2,206
Lease obligation for tangible capital assets (Note 5)	318	249
Provision for vacation leave	1,411	1,294
Deposits from political candidates	44	71
Employee severance benefits (Note 6)	4,429	3,655
Provision for contingent liabilities	-	56
<b>Total liabilities</b>	<b>26,558</b>	<b>29,614</b>
<b>EQUITY OF CANADA</b>	<b>18,847</b>	<b>21,350</b>
<b>Total</b>	<b>\$45,405</b>	<b>\$50,964</b>

Contractual Obligations (Note 7) and Contingencies (Note 8)

The accompanying notes form an integral part of these Financial Statements.

Approved by:

Marc Mayrand  
Chief Electoral Officer of Canada

Janice Vézina  
Associate Deputy Chief Electoral Officer,  
Political Financing and Chief Financial Officer

# OFFICE OF THE CHIEF ELECTORAL OFFICER

## Statement of Operations

For the Year Ended March 31

	(in thousands of dollars)	
	2008	2007
<b>Expenses (Note 9)</b>		
Salaries and benefits	\$40,583	\$37,253
Political parties quarterly allowance	28,016	27,452
Professional services	24,725	23,079
Travel and communication	9,211	6,013
Rental of equipment and accommodation	8,720	7,202
Advertising, publishing and printing	7,448	6,225
Amortization of tangible capital assets	4,268	4,532
Repair and maintenance of equipment	1,833	2,072
Small equipment	1,645	1,661
Reimbursement (adjustments) of candidates' and parties' expenses	1,018	(868)
Utilities, materials and supplies	803	1,106
Write-off of tangible capital assets	707	-
Interest and other charges	61	6
<b>Total Expenses</b>	<b>129,038</b>	<b>115,733</b>
<b>Non-tax revenue</b>	<b>(70)</b>	<b>(69)</b>
<b>Net Cost of Operations</b>	<b>\$128,968</b>	<b>\$115,664</b>

The accompanying notes form an integral part of these Financial Statements.

# OFFICE OF THE CHIEF ELECTORAL OFFICER

## Statement of Equity of Canada

For the Year Ended March 31

	<b>(in thousands of dollars)</b>	
	<b>2008</b>	<b>2007</b>
<b>Equity of Canada, beginning of year</b>	<b>\$21,350</b>	<b>\$16,088</b>
Net cost of operations	(128,968)	(115,664)
Change in Due from the Consolidated Revenue Fund	(4,222)	(42,435)
Net cash provided by Government	124,524	157,529
Services provided without charge (Note 10)	6,163	5,832
<b>Equity of Canada, end of year</b>	<b>\$18,847</b>	<b>\$21,350</b>

The accompanying notes form an integral part of these Financial Statements.

# OFFICE OF THE CHIEF ELECTORAL OFFICER

## Statement of Cash Flow

For the Year Ended March 31

	(in thousands of dollars)	
	2008	2007
<b>OPERATING ACTIVITIES</b>		
Net cost of operations	\$128,968	\$115,664
Non-Cash items:		
Amortization of tangible capital assets	(4,268)	(4,532)
Write-off of tangible capital assets	(707)	-
Services provided without charge	(6,163)	(5,832)
Variation in Statement of Financial Position:		
(Decrease) in accounts receivable and accountable advances	(127)	(260)
(Decrease) increase in prepaid expenses	(316)	429
(Decrease) increase in consumable supplies	(1,184)	3,158
Decrease in liabilities	<u>3,125</u>	<u>42,264</u>
<b>Cash used by operating activities</b>	<b>119,328</b>	<b>150,891</b>
<b>CAPITAL INVESTMENT ACTIVITIES</b>		
Acquisition of tangible capital assets (excluding capital leases)	5,126	6,589
Payment of capital lease obligations	<u>70</u>	<u>49</u>
<b>Cash used by capital investment activities</b>	<b>5,196</b>	<b>6,638</b>
<b>NET CASH PROVIDED BY GOVERNMENT OF CANADA</b>	<b>\$124,524</b>	<b>\$157,529</b>

The accompanying notes form an integral part of these Financial Statements.

# OFFICE OF THE CHIEF ELECTORAL OFFICER

## Notes to Financial Statements

For the year ended March 31, 2008

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### 1. Authority and Objectives

The Office of the Chief Electoral Officer (the Office), commonly known as Elections Canada, is headed by the Chief Electoral Officer who is appointed by resolution of the House of Commons and reports directly to Parliament. The Chief Electoral Officer is completely independent of the federal government and political parties. The Office is named in Schedule I.1 of the *Financial Administration Act*.

The Office's objectives are to enable the Canadian electorate to elect members to the House of Commons in accordance with the *Canada Elections Act*; to ensure compliance with and enforcement of all provisions of the *Canada Elections Act*; to calculate the number of members of the House of Commons to be assigned to each province pursuant to the *Electoral Boundaries Readjustment Act* and in accordance with the provisions of the Constitution Acts; and to provide the necessary technical, administrative and financial support to the ten electoral boundaries commissions, one for each province, in accordance with the *Electoral Boundaries Readjustment Act*.

The Office is funded by an annual appropriation (which provides for the salaries of permanent, full-time staff) and the statutory authority contained in the *Canada Elections Act*, the *Referendum Act* and the *Electoral Boundaries Readjustment Act*. The statutory authority provides for all other expenditures, including the costs of electoral events, maintenance of the National Register of Electors, quarterly allowances to eligible political parties, redistribution of electoral boundaries and continuing public education programs.

### 2. Summary of Significant Accounting Policies

- (a) **Basis of presentation** – These 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, and year-end instructions issued by the Office of the Comptroller General.
- (b) **Parliamentary appropriations** – The Office operates under two funding authorities: an annual appropriation and the statutory authority. Appropriations provided to the Office do not parallel financial reporting according to Canadian generally accepted accounting principles for the public sector. They are based in a large part 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 to these Financial Statements provides information regarding the source and disposition of these authorities and provides a high-level reconciliation between the two bases of reporting.



# OFFICE OF THE CHIEF ELECTORAL OFFICER

## Notes to Financial Statements

For the year ended March 31, 2008

- (c) **Due from the Consolidated Revenue Fund** – The Office operates within the Consolidated Revenue Fund (CRF) which is administered by the Receiver General for Canada. All cash received by the Office is deposited to the CRF and all cash disbursements made by the Office are paid from the CRF. Due from the CRF represents the amount of cash that the Office is entitled to draw from the Consolidated Revenue Fund without further appropriations in order to discharge its liabilities.

Net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

- (d) **Receivables** – Receivables are stated at amounts expected to be ultimately realized. A provision is made for receivables where recovery is considered uncertain.
- (e) **Consumable supplies** – Consumable supplies consist mainly of forms and publications used to administer election events and documents distributed to political entities. These supplies are recorded at weighted average cost. The cost is charged to operations in the period in which the items are consumed. If they no longer have service potential, they are valued at the lower of cost or net realizable value.
- (f) **Tangible capital assets** – Tangible capital assets are recorded at historical cost less accumulated amortization. The Office records as tangible capital assets all expenses providing multi-year benefits and leasehold improvements having an initial cost of \$5,000 or more. Similar items less than \$5,000 are expensed in the Statement of Operations under small equipment. Capital assets acquired for software under development are amortized once that software is put into production.

Amortization is calculated on a straight-line basis over the estimated useful lives of the tangible capital assets as follows:

<b>Asset Class</b>	<b>Useful Life</b>
Office equipment	3 to 10 years
Informatics equipment	3 years
Software	3 to 5 years
Furniture and fixtures	10 years
Vehicles	5 years
Motorized equipment	10 years
Leasehold improvements and capital leases	Term of lease

# OFFICE OF THE CHIEF ELECTORAL OFFICER

## Notes to Financial Statements

For the year ended March 31, 2008

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- (g) **Salaries and benefits, and vacation leave** – Salaries and benefits, and vacation leave are expensed as the salary or benefits accrue to the employees under their respective terms of employment. The employee salaries and benefits liability is calculated based on the respective terms of employment using the employees' salary levels at year end, and the number of days remaining unpaid at the end of the year. The liability for vacation leave is calculated at the salary levels in effect at the end of the year for all unused vacation leave benefits accruing to employees.
- (h) **Employee future benefits**
- 1) Pension benefits – Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government of Canada. The Office's contributions to the Plan are charged to expenses in the year incurred and represent the total of the Office's obligation to the Plan. Current legislation does not require the Office to make contributions for any actuarial deficiencies of the Plan.
  - 2) 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 related 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.
- (i) **Contingent liabilities** – Contingent liabilities are potential liabilities, which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the Financial Statements.
- (j) **Services provided without charge** – Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans, audit services and legal services are recorded as operating expenses, at their estimated cost, in the Statement of Operations. A corresponding amount is reported directly in the Statement of Equity of Canada.
- (k) **Political parties quarterly allowance** – The *Canada Elections Act* allows for the payment from public funds of quarterly allowances to qualifying registered parties. The quarterly allowance is calculated based on the results of the most recent general election preceding the quarter. This allowance is expensed in each quarter of the calendar year as directed by the Act.

# OFFICE OF THE CHIEF ELECTORAL OFFICER

## Notes to Financial Statements

For the year ended March 31, 2008

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- (i) **Measurement uncertainty** – The preparation of Financial Statements in accordance with Canadian generally accepted accounting principles for the public sector and year-end instructions issued by the Office of the Comptroller General requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of income and cost of operations during the reporting year.

At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant estimates used are contingent liabilities, the liability for employee severance benefits, the useful life of tangible capital assets and candidate and party reimbursement of eligible election expenses. 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 Office receives its funding through an annual Parliamentary appropriation and the statutory authority contained in the electoral legislation. 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 Office 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:

# OFFICE OF THE CHIEF ELECTORAL OFFICER

## Notes to Financial Statements

For the year ended March 31, 2008

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

	(in thousands of dollars)	
	2008	2007
<b>Net cost of operations</b>	\$128,968	\$115,664
Adjustments for items affecting net cost of operations but not affecting appropriations		
Add (Less):		
Amortization of tangible capital assets	(4,268)	(4,532)
Prepaid expenses	(1,111)	(1,315)
Consumable supplies	(1,184)	3,158
Services provided without charge	(6,163)	(5,832)
Change in employee severance benefits obligation	(774)	(303)
Change in provision for vacation leave	(117)	11
Write-off of tangible capital assets	(707)	-
Other	109	42
	<u>114,753</u>	<u>106,893</u>
Adjustments for items not affecting net cost of operations but affecting appropriations		
Add (Less):		
Acquisition of tangible capital assets (excluding capital leases)	5,126	6,589
Payment of capital lease obligations	70	49
Prepaid expenses	795	1,744
Other	(4)	(59)
<b>Current year appropriations used</b>	<b>\$120,740</b>	<b>\$115,216</b>

# OFFICE OF THE CHIEF ELECTORAL OFFICER

## Notes to Financial Statements

For the year ended March 31, 2008

b) Reconciliation of Parliamentary appropriations provided to current year appropriations used

	(in thousands of dollars)	
	2008	2007
<b>Appropriations Provided:</b>		
Program expenditures (Vote 25)	\$22,072	\$22,026
Statutory contributions to employee benefit plans	4,693	4,079
Other statutory expenditures	<u>95,420</u>	<u>92,568</u>
	122,185	118,673
Less:		
Lapsed appropriation – Program expenditures (Vote 25)	(1,445)	(3,457)
<b>Current year appropriations used</b>	<b>\$120,740</b>	<b>\$115,216</b>

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

	(in thousands of dollars)	
	2008	2007
Net cash provided by Government	\$124,524	\$157,529
Variation in accounts receivable and accountable advances	127	260
Variation in accounts payable and accrued liabilities	(3,401)	(40,542)
Variation in deposits from political candidates	(27)	(1,595)
Variation in accrued employee salaries and benefits	(532)	(395)
Other adjustments	(21)	(110)
Non-tax revenue	70	69
<b>Current year appropriations used</b>	<b>\$120,740</b>	<b>\$115,216</b>

# OFFICE OF THE CHIEF ELECTORAL OFFICER

## Notes to Financial Statements

For the year ended March 31, 2008

### 4. Tangible Capital Assets

(in thousands of dollars)

	Cost					2008 Net book value	2007 Net book value
	Opening balance	Acquisitions	Transfers	Disposals and write-off	Closing balance		
Office equipment (including capital leases)	\$1,078	\$212	-	\$104	\$1,186	\$734	\$ 677
Informatics equipment	7,725	521	-	-	8,246	747	734
Software	16,819	382	3,321	-	20,522	8,382	7,837
Software under development	4,958	3,421	(3,321)	685	4,373	4,373	4,958
Furniture and fixtures	1,403	240	-	-	1,643	743	654
Vehicles and motorized equipment	179	40	-	35	184	111	93
Leasehold improvements	2,776	450	-	723	2,503	1,263	1,109
<b>Total</b>	<b>\$34,938</b>	<b>\$ 5,266</b>	<b>\$0</b>	<b>\$1,547</b>	<b>\$38,657</b>	<b>\$16,353</b>	<b>\$16,062</b>

(in thousands of dollars)

	Accumulated Amortization			
	Opening balance	Amortization	Disposals and write-off	Closing balance
Office equipment (including capital leases)	\$401	\$133	\$82	\$452
Informatics equipment	6,991	508	-	7,499
Software	8,982	3,158	-	12,140
Furniture and fixtures	749	151	-	900
Vehicles and motorized equipment	86	22	35	73
Leasehold improvements	1,667	296	723	1,240
<b>Total</b>	<b>\$18,876</b>	<b>\$4,268</b>	<b>\$840</b>	<b>\$22,304</b>

# OFFICE OF THE CHIEF ELECTORAL OFFICER

## Notes to Financial Statements

For the year ended March 31, 2008

### 5. Lease Obligation for Tangible Capital Assets

The Office has entered into agreements to rent office equipment under capital lease with a cost of \$465,627 and accumulated amortization of \$155,103 as at March 31, 2008 (\$385,322 and \$141,126 respectively as at March 31, 2007). The obligations for the upcoming years include the following:

		(in thousands of dollars)
Maturing year		2008
2009		\$97
2010		97
2011		87
2012		48
2013 and thereafter		14
Total future minimum lease payments		343
Less: imputed interest (3.29% to 4.76%)		(25)
<b>Lease obligation for tangible capital assets</b>		<b>\$318</b>

### 6. Employee Future Benefits

#### (a) Pension benefits

The Office's employees contribute to 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/Québec Pension plans benefits and they are indexed to inflation.

The Office's and employees' contributions to the Public Service Pension Plan for the year were as follows:

			(in thousands of dollars)	
			2008	2007
Office's contributions			\$3,424	\$3,219
Employees' contributions			\$1,306	\$1,202

The 2007-08 expense amount represents approximately 2.6 times the contributions by employees.

The Office'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.

# OFFICE OF THE CHIEF ELECTORAL OFFICER

## Notes to Financial Statement

For the year ended March 31, 2008

### (b) Employee severance benefits

The Office 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:

	(in thousands of dollars)	
	2008	2007
Accrued benefit obligation, beginning of year	\$3,655	\$3,352
Expense for the year	994	606
Benefits paid during the year	(220)	(303)
<b>Accrued benefit obligation, end of year</b>	<b>\$4,429</b>	<b>\$3,655</b>

## 7. Contractual Obligations

The nature of the Office's activities can result in some large multi-year contracts and obligations whereby the Office will be obligated to make future payments when the services will be rendered or goods received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

	(in thousands of dollars)
2009	\$23,429
2010	19,575
2011	3,370
2012	1,684
2013 and thereafter	95
<b>Total</b>	<b>\$48,153</b>

## 8. Contingencies

Claims have been made against the Office in the normal course of operations. Legal proceedings for claims totalling approximately \$1,019,317 (\$80,000 in 2007) were still pending at March 31, 2008. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the Financial Statements.

No contingent liabilities are recognized in the Office's Financial Statements for the fiscal year ended March 31, 2008 (\$56,000 in 2007).



# OFFICE OF THE CHIEF ELECTORAL OFFICER

## Notes to Financial Statements

For the year ended March 31, 2008

### 9. Expenses by Event

In 2007-08, 7 by-elections were held while 2 by-elections were held in 2006-07. The resulting variance in the cost of operations is due to Election Readiness mode (\$10.5 million) and by-elections (\$2.8 million)

Expenses	(in thousands of dollars)			
	2008		2007	
	Electoral Event Delivery <sup>1</sup>	Other <sup>2</sup>	Electoral Event Delivery <sup>1</sup>	Other <sup>2</sup>
Salaries and benefits	\$3,194	\$37,389	\$2,598	\$34,655
Political parties quarterly allowance	-	28,016	-	27,452
Professional services	3,763	20,962	5,752	17,327
Travel and communication	497	8,714	629	5,384
Rental of equipment and accommodation	607	8,113	66	7,136
Advertising, publishing and printing	4,632	2,816	1,964	4,261
Amortization of tangible capital assets	-	4,268	-	4,532
Repair and maintenance of equipment	-	1,833	3	2,069
Small equipment	-	1,645	15	1,646
Reimbursement (adjustment) of candidates' and parties' expenses	214	804	(868)	-
Utilities, materials and supplies	32	771	21	1,085
Write-off of tangible capital assets	-	707	-	-
Interest and other charges	-	61	-	6
<b>Total Expenses</b>	<b>\$12,939</b>	<b>\$116,099</b>	<b>\$10,180</b>	<b>\$105,553</b>

<sup>1</sup> Expenses incurred for general elections, by-elections and redistribution of electoral boundaries.

<sup>2</sup> Salary of permanent staff, other statutory expenses incurred under the *Canada Elections Act*, including expenses related to election readiness activities, quarterly allowances to political parties and ongoing expenses.

# OFFICE OF THE CHIEF ELECTORAL OFFICER

## Notes to Financial Statements

For the year ended March 31, 2008

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### 10. Related Party Transactions

The Office is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations.

The Office enters into transactions with these entities in the normal course of business and on normal trade terms. During the year, the Office expensed \$21,898,381 from transactions in the normal course of business with other government departments and agencies. These expenses include services provided without charge from other government departments worth \$6,163,296 as presented in part (a).

(a) Services provided without charge:

During the year, the Office received services that were obtained without charge from other government departments and agencies. These services without charge have been recognized in the Office's Statement of Operations as follows:

	(in thousands of dollars)	
	2008	2007
Public Works and Government Services Canada - accommodation	\$4,565	\$4,158
Treasury Board Secretariat - employer's share of insurance premiums	1,461	1,524
Office of the Auditor General of Canada - audit services	130	145
Human Resources and Social Development Canada - employer's portion of Worker's compensation payments	7	5
<b>Total Services provided without charge</b>	<b>\$6,163</b>	<b>\$5,832</b>

## Section IV – Other Items of Interest

### New Legislation

In the past year, the Parliament of Canada adopted several significant legislative initiatives that amend the *Canada Elections Act* – particularly Bill C-31, *An Act to amend the Canada Elections Act and the Public Service Employment Act*, adopted in June 2007 (S.C. 2007, c. 21). Elections Canada implemented the new measures in the by-elections held in September 2007 and again in March 2008. It also responded to the following legislative and judicial activities:

#### *Legislation enacted during 2007–2008*

New Enactments	Details and Impacts
<i>An Act to amend the Canada Elections Act</i> , S.C. 2007, c. 10 (formerly known as Bill C-16)	This legislation received royal assent in May 2007. It amends the <i>Canada Elections Act</i> to provide that, unless Parliament is dissolved earlier, a general election must be held on the third Monday in October in the fourth calendar year after polling day for the last general election. If Parliament is not dissolved earlier, the first fixed-date general election would be held on Monday, October 19, 2009.
<i>An Act to amend the Canada Elections Act and the Public Service Employment Act</i> , S.C. 2007, c. 21 (formerly known as Bill C-31)	<p>This legislation received royal assent in June 2007. It requires electors to prove their identity and address before voting. It also amends the <i>Canada Elections Act</i> to, among other things, make operational changes that will improve the accuracy of the National Register of Electors and enhance communications with the electorate.</p> <p>Changes requiring electors to prove their identity and address came into force in July 2007, in time for the three by-elections held on September 17, 2007, in Quebec. The new rules were also applied in the four by-elections held on March 17, 2008, in Toronto, northern Saskatchewan and Vancouver.</p> <p>For the most part, operational changes to the Register and the list of electors did not come into force until March 1, 2008. It is therefore not yet possible to measure their impact on the agency.</p>

<b>New Enactments</b>	<b>Details and Impacts</b>
<p><i>An Act to amend the Canada Elections Act (verification of residence),</i> S.C. 2007, c. 37 (formerly known as Bill C-18)</p>	<p>This legislation was introduced on November 2, 2007, and received royal assent on December 14, 2007. It amended the <i>Canada Elections Act</i> to solve two problems related to the new requirement (introduced by Bill C-31) that electors must prove their identity and residence prior to voting:</p> <ul style="list-style-type: none"> <li>• Civic addresses do not exist in a number of areas in Canada.</li> <li>• In those and other areas, the address indicated on an identification card is the mailing address, not the civic address.</li> </ul> <p>According to the amended Act, if the address on the identification provided by the elector does not prove his or her residence but is consistent with his or her address on the list of electors (often the elector’s mailing address), the elector’s residence is deemed to have been proven.</p> <p>If, however, an election official or a candidate’s representative has reasonable doubts about the residence of that elector, the elector may be requested to take an oath before his or her residence will be deemed to be proven.</p> <p>This change was not in place for the September 17, 2007, by-elections but would not have been required since there are civic addresses for all dwellings in the province of Quebec. The agency has not yet completed evaluation of the March 17, 2008, by-elections and the impact of this change.</p>

***Legislation currently before Parliament***

<b>Proposed Legislation</b>	<b>Details and Impacts</b>
<p>Bill C-6, <i>An Act to amend the Canada Elections Act (visual identification of voters)</i></p>	<p>This bill would require that electors have their faces uncovered before voting, or registering to vote, in person, and would expand the authority of Elections Canada to appoint sufficient personnel to manage the conduct of the vote at the polls. The bill was referred to the House of Commons Standing Committee on Procedure and House Affairs on November 15, 2007.</p>

<b>Proposed Legislation</b>	<b>Details and Impacts</b>
<p>Bill C-16, <i>An Act to amend the Canada Elections Act (expanded voting opportunities)</i></p>	<p>This bill would increase the number of advance polling days from three to five. One of the new days would be the eighth day before polling day and would be governed by the rules currently applicable to advance polling days. The other new advance polling day would be the Sunday immediately before regular polling day. Voting on that day would take place at the same polling stations used for polling day. The bill was originally introduced in the first session of the 39th Parliament as Bill C-55 and was reintroduced in the second session in November 2007 as Bill C-16. The Standing Committee on Procedure and House Affairs has completed its study and submitted its report on the bill to the House, with a number of amendments.</p>
<p>Bill C-20, <i>Senate Appointment Consultations Act</i></p>	<p>This bill provides for the consultation of electors in a province to determine their preferences for the appointment of senators to represent their province. The Chief Electoral Officer would be responsible for administering this legislation and the consultations for which it provides. The bill was originally introduced in the first session of the 39th Parliament as Bill C-43. It was reintroduced in the second session in November 2007 as Bill C-20, and was referred to a special legislative committee for study prior to second reading. The committee is still reviewing the bill.</p>
<p>Bill C-22, <i>An Act to amend the Constitution Act, 1867 (Democratic representation)</i></p>	<p>This bill would amend the rules in the <i>Constitution Act, 1867</i>, for readjusting the number of members of the House of Commons and the representation of provinces in the House. The bill was originally introduced in the first session of the 39th Parliament as Bill C-56. It was subsequently reintroduced in the second session in November 2007 as Bill C-22. It has not yet been referred to committee. The impact of the bill on Elections Canada is limited. Pursuant to the <i>Electoral Boundaries Readjustment Act</i>, Elections Canada provides support services to the 10 provincial commissions responsible for electoral boundaries readjustment. This process takes place every 10 years after census figures have been gathered and published. The next exercise should start in 2011–2012. Elections Canada will assist the commissions in drawing up maps showing the boundaries of electoral districts in each province, and would include the new districts proposed in the bill.</p>

Proposed Legislation	Details and Impacts
<p>Bill C-29, <i>An Act to amend the Canada Elections Act (accountability with respect to loans)</i></p>	<p>This bill was originally introduced in the first session of the 39th Parliament as Bill C-54. It was reintroduced in the second session in November 2007 as Bill C-29 and is now before the Senate. The bill proposes rules concerning loans, guarantees and suretyships that would apply to political entities governed by the <i>Canada Elections Act</i>.</p>

There are also 16 private members' bills that deal with aspects of the mandate of Elections Canada. Five would amend various sections of the *Canada Elections Act*, one would amend the *Electoral Boundaries Readjustment Act* and 10 would change the name of an electoral district.

### ***Matters before the Courts***

Cases	Details and Impacts
<p><i>Longley v. Canada (Attorney General)</i></p>	<p>This case dealt with the allowance paid quarterly to certain parties. Small registered parties challenged the constitutionality of section 435.01 of the <i>Canada Elections Act</i>, which restricts the payment of the quarterly allowance to parties that meet the popular vote thresholds of 2 percent nationwide or 5 percent locally.</p> <p>In a decision dated December 6, 2007, the Ontario Court of Appeal reversed the decision of the Ontario Superior Court. The Court of Appeal declared that paragraphs 435.01(1)(a) and (b) of the Act contravened section 3 (right to vote) of the <i>Canadian Charter of Rights and Freedoms</i>, but were saved under section 1 of the Charter (reasonable limits demonstrably justified). The Court of Appeal stated that paragraphs 435.01(1)(a) and (b) of the Act neither contravene the Charter's paragraphs 2(b) (freedom of expression) and 2(d) (freedom of association), nor section 15 (equality rights).</p> <p>The Court also determined that a political party is deemed to be a person only for the purposes of judicial proceedings that occur within the context of the <i>Canada Elections Act</i>, particularly Part 19 of the Act (Enforcement). A party therefore cannot have standing to file a constitutional challenge based on the Charter in a standalone proceeding outside the framework of the Act. It can file such a challenge only in the context of enforcement proceedings under Part 19.</p> <p>The Supreme Court has refused leave to appeal.</p>

Cases	Details and Impacts
<i>Rae v. Chief Electoral Officer</i>	<p>The applicant, a leadership contestant in the 2006 Liberal Party of Canada leadership contest, sought judicial review to determine the circumstances in which entry fees paid by leadership contestants could be returned to the contestants without constituting an illegal transfer under section 404.3 of the <i>Canada Elections Act</i>. In a decision issued in February 2008, the Federal Court concluded that the prohibition contained in section 404.3 against transfers of funds from the party or electoral district associations to leadership or nomination contestants did not apply when the funds in question had previously been transferred from the contestants to the party and were being “retransferred.”</p> <p>The impact of this decision is not expected to be significant. Elections Canada has not appealed it.</p>
<i>L.G. (Gerry) Callaghan et al. v. Chief Electoral Officer</i>	<p>Two candidates are seeking judicial review of the Chief Electoral Officer’s alleged failure to fulfill his duty under section 465 of the <i>Canada Elections Act</i>. Under this provision, if the Chief Electoral Officer is satisfied that the candidate and his or her official agent have complied with their financial reporting obligations, he is required to provide a certificate to the Receiver General for the reimbursement of a portion of the candidate’s election expenses and personal expenses. The Chief Electoral Officer issued certificates for the reimbursement of most of the expenses incurred by the two candidates but was not satisfied that certain expenses had been incurred. Those expenses were excluded from the calculation of the reimbursement.</p>
<i>Rose Henry et al. v. Attorney General of Canada and the Chief Electoral Officer</i>	<p>This litigation, initially a petition filed in the Supreme Court of British Columbia, has been converted into an action against the Attorney General of Canada and the Chief Electoral Officer. The plaintiffs are individuals and groups who challenge the constitutionality of the new identification and vouching requirements in the <i>Canada Elections Act</i>. The applicants assert that the amendments will prevent electors from exercising their right to vote, as guaranteed by section 3 of the Charter.</p>
<i>Sa Tan v. Her Majesty The Queen</i>	<p>In the Federal Court of Canada, the applicant filed a challenge to the constitutionality of the provisions of the <i>Canada Elections Act</i> that require a person who seeks nomination as a candidate to provide a \$1,000 deposit, appoint a qualified auditor and obtain the signatures of either 50 or 100 electors. These requirements are set out in subsections 66(1) and 67(4) of the Act.</p>

In a few other cases, Elections Canada is being sued by individuals who allege it was negligent in separate incidents that occurred in or near polling stations during the 39th general election on January 23, 2006. The cases are proceeding through the courts. A few people with visual impairments have also complained to the Canadian Human Rights Commission, alleging that the obligation to seek assistance when casting their vote denies them equal access to the electoral process and discriminates against them by reason of their disability. One of these cases has been resolved to the satisfaction of the complainant. Elections Canada is exploring solutions to resolve the other complaints and their underlying causes.

### **Federal Political Contributions and Tax Credits Claimed**

The following table shows the number of contributions received by registered political parties and candidates, the total value of the contributions, and the estimated tax credits provided to individuals and corporations, as supported by official tax receipts for the corresponding calendar years. Tax credit amounts fluctuate between electoral events, although they tend to increase with the approach of a general election (see the amounts for 2000 and 2004). Federal political contributions from corporations appear to follow the same trend as those from individuals.

The information on contributions is extracted from Elections Canada records. Information on contributions to candidates is provided only for the general elections of 2000, 2004 and 2006.

The source for information on estimated tax credits claimed by individuals is the yearly edition of *Income Statistics*, published by the Canada Revenue Agency. For corporations, the source is information from the Statistics and Information Management Directorate of the Canada Revenue Agency.



## Federal Political Contributions and Estimated Tax Credits Claimed

	Number of contributions							
	1999	2000	2001	2002	2003	2004*	2005*	2006*
Registered political parties	168,369	404,780	105,447	167,971	162,395	130,328	172,409	179,193
Candidates	–	109,155	–	–	–	106,705	53,610	37,708
Nomination contestants	–	–	–	–	–	6,616	1,306	77
Leadership contestants	–	–	–	–	–	274	–	10,391
Registered associations	–	–	–	–	–	91,083	117,549	63,519
<b>Total</b>	<b>168,369</b>	<b>513,935</b>	<b>105,447</b>	<b>167,971</b>	<b>162,395</b>	<b>335,006</b>	<b>344,874</b>	<b>290,888</b>

	Value of contributions (\$ thousands)							
	1999	2000	2001	2002	2003	2004*	2005*	2006*
Registered political parties	34,194	57,100	31,540	30,440	48,389	22,434	32,935	33,816
Candidates	–	41,392	–	–	–	21,227	12,674	8,892
Nomination contestants	–	–	–	–	–	1,905	388	44
Leadership contestants	–	–	–	–	–	11	–	6,889
Registered associations	–	–	–	–	–	12,508	15,673	9,725
<b>Total</b>	<b>34,194</b>	<b>98,492</b>	<b>31,540</b>	<b>30,440</b>	<b>48,389</b>	<b>58,085</b>	<b>61,670</b>	<b>59,365</b>

\*As a result of the implementation of the *Act to amend the Canada Elections Act and the Income Tax Act (political financing)* (S.C. 2003, c. 19) in 2004, contributions made to political entities were limited. This explains the decrease in number and value from the 2000 election.

	Estimated tax credits claimed (\$ thousands)							
	1999	2000	2001	2002	2003	2004	2005	2006
Corporations**	509	926	875	499	617	1,004	721	882
Individuals	10,439	19,922	8,802	10,104	12,112	22,024	25,421	24,274
<b>Total</b>	<b>10,948</b>	<b>20,848</b>	<b>9,677</b>	<b>10,603</b>	<b>12,729</b>	<b>23,028</b>	<b>26,142</b>	<b>25,156</b>

\*\*For corporations, for the 2007 tax year, as of December 31, 2007, there were 515,593 corporate returns in the database, representing about 30% of the expected final number of returns (total amount of \$114,000).

## **Contacts for Further Information**

**Address** Elections Canada  
257 Slater Street  
Ottawa, Ontario  
K1A 0M6

**Telephone** 1-800-463-6868  
toll-free in Canada and the United States

001-800-514-6868  
toll-free in Mexico

613-993-2975  
from anywhere in the world

For people who are deaf or hard of hearing:  
TTY 1-800-361-8935  
toll-free in Canada and the United States

**Fax** 613-954-8584  
1-888-524-1444  
toll-free in Canada and the United States

**Web site** [www.elections.ca](http://www.elections.ca)

### ***Media Information***

**Telephone** 1-877-877-9515  
613-993-2224  
TTY 1-800-361-8935

**Fax** 613-954-8584