



# Canadian Human Rights Commission

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## Performance Report

FOR THE PERIOD ENDING  
MARCH 31, 2006

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**The Honourable Vic Toews, P.C., M.P.**  
Minister of Justice and Attorney General of Canada



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## SECTION I

## Overview

### I Commissioner's Message

In 2005-2006, the Commission continued the change process that began in 2002-2003 to improve the human rights dispute resolution process. The organization was restructured to better support its new business model. A newly established branch that offers a one-stop approach to resolving complaints allows the Commission to carry out this part of its work in the most effective and efficient way possible. These changes to the Commission's process and structure are producing the results intended: the previous backlog of cases has been virtually eliminated, the complaint workload is balanced and performance has improved substantially.

Making its dispute resolution process more efficient has allowed the Commission to channel more resources toward the front end of the human rights continuum. In 2004, it launched a Discrimination Prevention Program that has experienced considerable growth this year as more and more employers agree to work with the Commission on taking a preventive and early resolution approach to human rights in their organizations. Preliminary results from this program are promising. There is already evidence that the Commission is receiving fewer complaints from certain organizations which are proactively engaged in the prevention program, and that it takes less time to resolve complaints against organizations which have signed MOUs.

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The Commission is following a similar, preventive approach in the area of employment equity—sharing knowledge with employers on hiring and promotion practices and providing targeted advice and preventive tools. The Commission’s experience with the employment equity audit process indicates that employers need greater support in the form of information and knowledge in order to comply with the requirements of the *Employment Equity Act* and sustain gains already achieved. Fostering a better understanding of human rights helps prevent discrimination from occurring in the first place.

The Commission has also begun to expand its research and policy capacity, through the creation of a Knowledge Centre. It has developed an action-oriented research program that focusses on initiatives that serve to advance human rights in Canada, and has already undertaken a number of research projects this year.

Changing its structure and processes has made it possible for the Commission to use a wider range of tools to fully execute its mandate. The Commission is committed to continuing to apply sound, innovative and forward-looking management practices to ensure that it meets its objective of better serving Canadians and advancing human rights in Canada. In doing so, the Commission contributes to creating an inclusive society that promotes diversity.

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David Langtry  
COMMISSIONER

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## I Management Representation Statement

I submit for tabling in Parliament, the 2005-2006 Departmental Performance Report for the Canadian Human Rights Commission.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2005-2006 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the TBS guidance;
- It is based on the department's approved Program Activity Architecture structure as reflected in its MRRS;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada in the DPR.

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Stella Deacon

ACTING SECRETARY GENERAL

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## I Summary Information

The Canadian Human Rights Commission (the Commission) was established in 1977 to administer the *Canadian Human Rights Act*. The purpose of the Act is to promote equality of opportunity and to protect individuals from discrimination based on race, national or ethnic origin, colour, religion, age, sex, sexual orientation, marital status, family status, disability, or conviction for an offence for which a pardon has been granted.

The Commission also has a mandate under the *Employment Equity Act*, which seeks to achieve equality in the workplace and to correct the conditions of disadvantage in employment experienced by women, Aboriginal peoples, persons with disabilities and members of visible minorities. Both the *Canadian Human Rights Act* and the *Employment Equity Act* apply to federal departments and agencies, Crown corporations and federally regulated private sector organizations.

The Commission consists currently of one full-time member and four part-time members. Full-time members are appointed for terms not exceeding seven years and part-time members for terms not exceeding three years. The full-time Commissioner is responsible for the operations of the Commission, supported by the Secretary General.

<b>Financial Resources</b> (\$ thousands)		
Planned Spending	Total Authorities	Actual Spending
\$22,476	\$22,938	\$22,389

<b>Human Resources</b> (FTE)		
Planned	Actual	Difference
199	190	9



## I Departmental Priorities

### Status on Performance

**Strategic Outcome:** Equality, respect for human rights and protection from discrimination by fostering understanding of and compliance with the *Canadian Human Rights Act* and the *Employment Equity Act*.

Alignment to Government of Canada Outcomes: The Commission's strategic outcome aligns to the Government of Canada's strategic outcome of creating "an inclusive society that promotes linguistic duality and diversity."

Priority (type)	Program Activity – Expected Result	Performance Status	2005-2006	
			Planned Spending	Actual Spending
Improve the case management system (ongoing)	Foster understanding of and compliance with the <i>Canadian Human Rights Act</i> . – Increased compliance with the <i>Canadian Human Rights Act</i> .	Successfully met	15,879	13,377
Design and implement a human rights research program (new)	Foster understanding of and compliance with the <i>Canadian Human Rights Act</i> . – Increased compliance with the <i>Canadian Human Rights Act</i> .  Employment equity audits in federal and federally regulated workplaces. – A workforce more representative of the four groups designated under the <i>Employment Equity Act</i> .	Continuing	2,130	5,039
Implement the new Discrimination Prevention Program (ongoing)	Foster understanding of and compliance with the <i>Canadian Human Rights Act</i> . – Increased compliance with the <i>Canadian Human Rights Act</i> .  Employment equity audits in federal and federally regulated workplaces. – A workforce more representative of the four groups designated under the <i>Employment Equity Act</i> .	Successfully met	2,051	2,423
Deliver the Employment Equity Compliance Program and design improvements (ongoing)	Employment equity audits in federal and federally regulated workplaces. – A workforce more representative of the four groups designated under the <i>Employment Equity Act</i> .	Continuing	2,416	1,550

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# I Overall Departmental Performance

## OPERATING ENVIRONMENT

The Commission has been engaged in a process of transformation that has shown positive results and considerable progress towards its strategic outcome. This journey began with a new business model aimed at balancing the resources and energies directed at each stage of the human rights case management continuum. Significant changes within the Commission have led to the offering of alternative dispute resolution at all stages of a complaint as well as more effective, consistent and timely handling of human rights cases.

Free from a previous chronic case backlog, the Commission was able to place more emphasis on discrimination prevention activities. The Commission is undertaking new strategic research and more focused litigation to address issues of systemic discrimination, and its approach to employment equity is being streamlined. All of this has been driven by a commitment to continuous improvement to the Commission's programs and corporate management practices.

## ORGANIZATIONAL CONTEXT

A major restructuring of the Commission has been completed, providing a solid foundation for continuous improvement and innovation. This allows the Commission to fully execute its mandate under the *Canadian Human Rights Act* and the *Employment Equity Act*. Its new features include:

- A Dispute Resolution Branch which integrates all services related to the processing of a complaint, including pre-complaint services, mediation before and after a complaint is filed, conciliation, investigation, litigation and liaison with the Tribunal;
- A Discrimination Prevention Branch which amalgamates the Employment Equity Compliance Program with a Prevention Initiatives and Liaison Division, Communications and Regional Offices. This will enable the Commission to focus on developing a more positive, productive relationship with employers while providing strategic advice and support; and
- A Knowledge Centre which emphasizes policy development, research, legal advice, and statistical analysis to enhance the level of understanding of human rights within Canadian society; as well as strategic initiatives which respond to emerging issues and combat broader problems of a systemic nature.

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The restructuring presented a good opportunity to draw on the synergies among all of the Commission's activities in order to have a greater impact on human rights issues. For example, establishing the new integrated Dispute Resolution Branch resulted in a one-stop approach dedicated to resolving complaints in the most efficient and effective way possible, at every stage of the process, from the first telephone inquiry to a Tribunal hearing.

As with all major changes, there is a risk of organizational resistance. This risk is being mitigated by a strong change management program. During the period under review, the leadership of the Commission continued to focus on establishing a culture of innovation and continuous improvement in management practices. This commitment to sound management practices is demonstrated in the Commission's Management Accountability Framework (MAF). The MAF establishes a framework to ensure that the conditions for good management are in place in order to achieve results for Canadians. It is used as an analytical tool, identifying management strengths and weaknesses and setting out action plans for continuous improvement. Progress is monitored in part through monthly reporting on program results, as well as the ongoing monitoring of financial, human and material resource indicators of sound practice.

The Commission's processes and initiatives are frequently dependent on external parties. These dependencies pose a risk to the efficiency and effectiveness of its activities, such as delays in participation by complainants and respondents impacting the timeliness and effectiveness of dispute resolution processes or lack of control regarding the length of Tribunal hearings.

## **THE COMMISSION'S WORK AND CANADA'S PERFORMANCE**

The Commission's strategic outcome aligns to the Government of Canada's strategic outcome of "creating an inclusive society that promotes linguistic duality and diversity." The Commission's activities positively impact on society's level of acceptance of the aforementioned outcome. The Government of Canada has identified indicators that measure its performance against the "inclusive society" outcome. The Commission's work advances the following Government of Canada performance indicators: attitudes toward diversity, discrimination and racism, same-sex marriages, and mixed (inter-racial) unions.

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The following focuses on the specific priorities made in the RPP for the period under review:

### **PRIORITY 1 Improve the case management system**

The Commission strongly believes in the transformative potential of alternative dispute resolution processes and has implemented several new initiatives. One was the enhancement of the alternative dispute resolution model by adding preventive mediation to its full range of services such as mediation and conciliation. This is offered to the parties prior to the acceptance of a formalized complaint. The Commission also developed a new conciliation model, which includes an opportunity for some cases to proceed directly to a Tribunal hearing without further review by the Commission if an attempt at reaching a settlement fails.

Another change was the creation of a Preliminary Assessment procedure, which helps parties address incidents of discrimination as soon as possible by having an open and frank discussion on the issues raised in the complaint, next steps in the process and potential outcomes.

These and other improvements resulted in the Commission eliminating its backlog by bringing its overall caseload from 1,290 to 663 files. The Commission was also successful in reducing the average age of its active caseload from 25 months in 2002 to 9.1 months by the end of March 2006. Finally, approximately three quarters of the Commission's active caseload is less than a year old, which represents steady progress toward achieving a service standard where 85% of cases are resolved within a year.

### **PRIORITY 2 Design and implement a human rights research program**

The Commission committed to:

- Expand the Commission's research and policy capacity;
- Undertake ongoing environmental scans to monitor emerging and systemic human rights issues; and
- Conduct impact assessments of government initiatives.

The Commission created a Knowledge Centre responsible for research, strategy development and policy functions. The Knowledge Centre is also responsible for managing regulatory affairs, including the development of regulations and guidelines, as well as providing strategic proactive legal advice and studying systemic issues that have an impact on a group of people or on the overall human rights system.

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Although the Knowledge Centre was not completely operational until November 2005, it was able to conduct several projects in 2005-2006 that will contribute to monitoring emerging and systemic human rights issues as well as to conducting impact assessments on governmental activities. These projects include: a study on key issues in the field of national security and human rights; a report on telephone access for deaf and hearing impaired Canadians; a report on the human rights reasons for repealing section 67 of the *Canadian Human Rights Act*; and a conference on section 13 of the *Canadian Human Rights Act*, on hate on the Internet.

The Knowledge Centre also began work on a number of projects that will be completed or advanced in 2006-2007, such as conducting research on environmental sensitivities, the evolution of the status of sexual orientation in society and the development of a report card on the state of human rights in Canada.

### **PRIORITY 3 | Implement the new Discrimination Prevention Program**

The Discrimination Prevention Program was implemented and a dedicated team has been established. Under this program, the Commission committed to negotiate and enter into agreements with key organizations to assist them in reducing discrimination in workplaces or service centres by providing tools, training and workshops. Ten Memoranda of Understanding (MOUs) were successfully negotiated and signed during the year. The preliminary results for this program are encouraging and will be assessed more fully over time.

A measure of success for this effort was expected to be the decrease in the number of complaints against employers with whom the Commission signed MOUs, as well as a decrease in time to resolve complaints filed with the Commission. Although not enough time has passed to demonstrate an overall decrease in the number of complaints filed against MOU signatories relative to other respondents, a decrease was noticeable for certain MOU signatories. The data also showed fewer returns from a referral to an alternate redress mechanism for MOU signatories (12.5%) than from non-MOU respondents (20.9%). At the end of the fiscal year, the Commission established an Employer Advisory Council comprised of representatives from the MOU signatories to provide a forum for raising, examining, discussing and acting on issues related to the prevention of discrimination in workplaces and service centres across Canada.

The Discrimination Prevention Program initially offered its services in a very strategic way, identifying the largest employers as its initial key stakeholders. The program is beginning to see the benefits of its work with this first group of MOU signatories and it anticipates developing relationships with a broader range of stakeholders in the coming years.

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The Commission's website has played an important role in providing information about the Discrimination Prevention Program. The website gives access to a series of tools and resources for employers, employee groups and others. The website allows for sharing of information about best practices for the provision of a discrimination-free work environment.

**PRIORITY 4**

**Deliver the Employment Equity Compliance Program and design improvements**

The Employment Equity Compliance Program requires employers to identify barriers to employment and implement best practices to eliminate gaps in the representation of four designated groups: women, Aboriginal peoples, persons with disabilities and visible minorities. Since the beginning of the program, 205 employers had been found in compliance and 38 were under audit as of December 31, 2005. At that time, there were 588 employers subject to the *Employment Equity Act* with a combined workforce of just under one million employees. A total of 40% of these employers have been audited, or are currently under audit, and their combined workforce includes 76% of employees in the federally regulated sector.

The Commission monitors progress made by employers in implementing employment equity plans and achieving a representative workforce. This is done by tracking the achievement of the employers' hiring and promotion goals listed in their compliance reports following an audit.

The Commission completed the monitoring of progress for about 100 employers. Results indicated that just 37% of hiring and promotion goals for employers in the private sector were met. In the public sector, results were somewhat more positive, as 55% of goals have been met since the beginning of the program.

Progress towards the full representation of the four designated groups continues. In the private sector, persons with disabilities continue to benefit the least from employment equity measures. Conversely, visible minorities are fully represented overall and received hires in line with their availability. Their representation is highest in the banking sector where they now hold 21.8% of jobs, including 7.4% in senior management, 15.4% in middle management and 24.9% in professional occupations.

In the public service, there are encouraging signs of progress for all designated groups except visible minorities, who remain under-represented. They hold only 8.1% of all jobs and new hires continue to be lower than their availability of 10.4%. The government has not met the goals it set in endorsing the action plan from the report of the Task Force on the Participation of Visible Minorities in the Federal Public Service released in 2000. The Commission continues to work in collaboration with Human Resources and Social Development Canada and Treasury Board, in accordance with the authorities granted under the Act, to address employment equity in the federal public service.

## SECTION II

# Analysis of Program Activities by Strategic Outcome

## I Analysis by Program Activity

### STRATEGIC OUTCOME

Equality, respect for human rights and protection from discrimination by fostering understanding of, and compliance with, the *Canadian Human Rights Act* and the *Employment Equity Act*.

### PROGRAM ACTIVITY NAME

A. Foster understanding of and compliance with the *Canadian Human Rights Act*.

<b>Financial Resources</b> (\$ thousands)		
Planned Spending	Total Authorities	Actual Spending
\$19,628	\$19,956	\$19,487

<b>Human Resources</b> (FTE)		
Planned	Actual	Difference
167	162	5

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The Commission provides recourse for those who believe that their rights, as set out in the *Canadian Human Rights Act*, have been violated. This program activity has three sub-activities to support its goals:

- Integrated processing of individual human rights complaints filed against federally regulated employers and service providers.
- Development of prevention initiatives and collaborative arrangements within the federal system to promote sound human rights practices in the workplace.
- Conducting stakeholder outreach, policy research and development, public inquiries, national human rights institution building and human rights impact assessments of government initiatives.

This program activity primarily supports the Commission's priority to improve the case management system. It also supports the priorities of implementing the new Discrimination Prevention Program and designing and implementing a human rights research program aimed at increasing compliance with the *Canadian Human Rights Act*. It is expected that this program activity will result in increased compliance with the *Canadian Human Rights Act*.

## **SUB-ACTIVITIES**

### **A1 Integrated processing of individual human rights complaints filed against federally regulated employers and service providers.**

In 2005-2006, the Commission continued to make improvements to its complaint process. It did this through structural changes, by bringing together all its complaint-related services under a single branch, and through the introduction of new programs and streamlined procedures.

The results were significant, as shown in the following Figures. The Commission eliminated its backlog, reducing its overall caseload to a manageable size. The Commission is now processing cases more quickly (taking an average of 9.1 months per complaint compared to a 25-month average in 2002), with the result that three quarters of its active complaints are now under one year old.

Figure 1 shows the reduction in the number of complaints in the active caseload over the last four years, a reduction of 49% since 2003. Figure 1 also shows the number of cases between one and two years old, and the number of cases over two years old for each year as a proportion of the total caseload. Complaints over two years old now represent only 5% of the total caseload, whereas in 2003 they represented 25% of the total caseload. The number of complaints that have been in the system for less than a year now represent almost three-quarters of the total caseload.



**FIGURE 1: Total Active Caseload by Age Category**

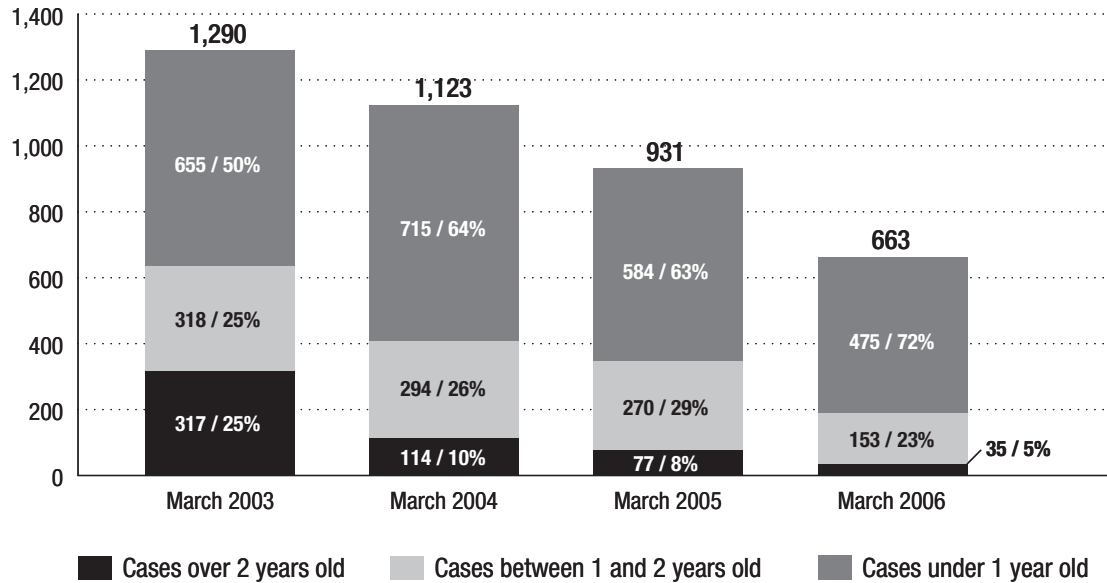
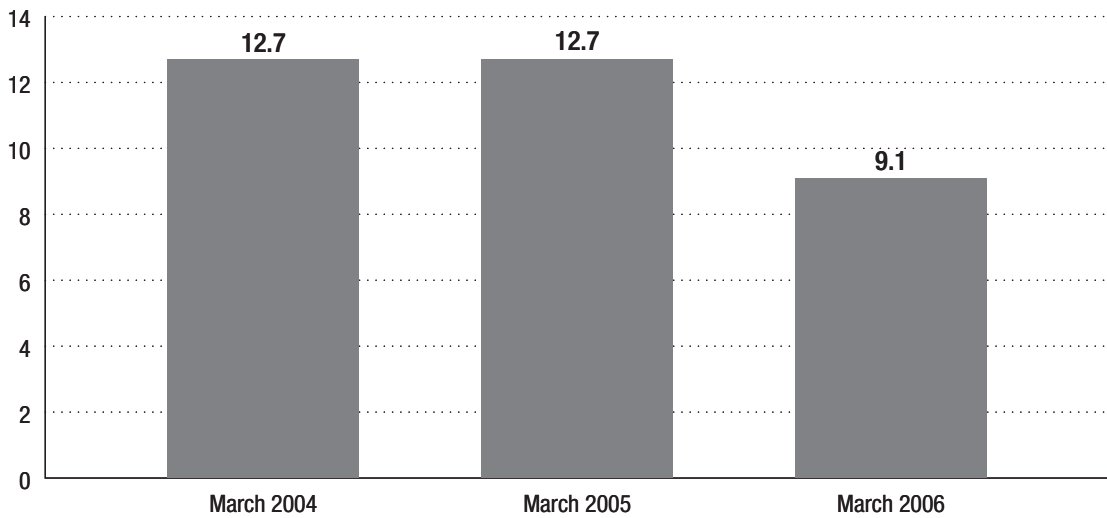


Figure 2 shows the average age of complaints in the active caseload as of March 31 over the last three years. The average age has been reduced by 28% since 2004.

**FIGURE 2: Average Age of Cases (in months)**

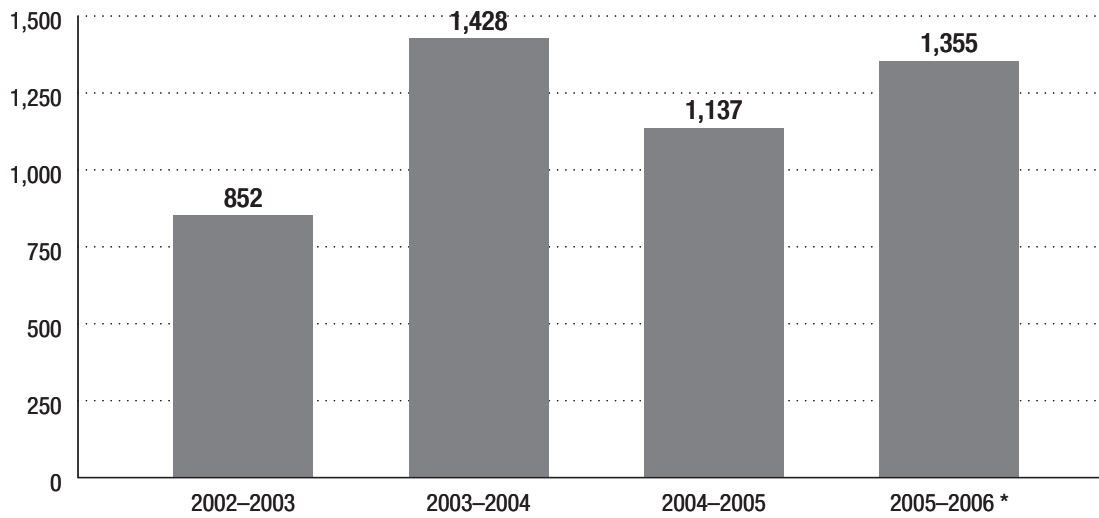


Members of the Commission must decide on the disposition of all complaints filed under the Act. Figures 3 and 4 provide information on these decisions over the past four years. Figure 3 shows the total number of decisions, and Figure 4 shows the types of decisions that were taken.

As shown in Figure 4, the Commission has increased the number of decisions under sections 41(1)(a) and 41(1)(b) of the Act which give the Commission the discretion not to deal with complaints when other redress procedures are available. This is supported by recent court decisions, as well as the new *Public Service Modernization Act* which expands the opportunities for redress within the federal public service.

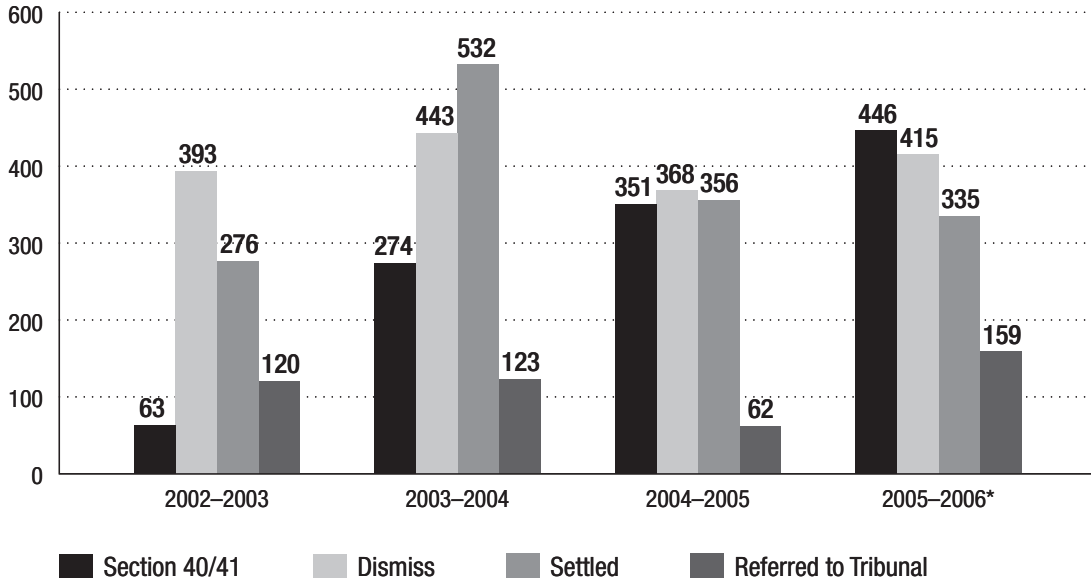
It should be noted that the numbers for 2005-2006 in Figures 3 and 4 include a group of 594 related complaints counted as one.

**FIGURE 3: Number of Final Decisions**



\* The Commission rendered a decision on a group of 594 related complaints which are counted as one.

**FIGURE 4: Final Decisions by Type**



\* The Commission rendered a decision 'Referred to Tribunal' on a group of 594 related complaints which are counted as one.

With the new integrated complaint service, the Commission can more readily focus on finding appropriate resolution options without necessarily engaging in litigation. This supports the view that the Commission can assist with allegations of discrimination outside of the formal complaint process.

In this regard, the Commission introduced a major change in December 2005. It added preventive mediation to its range of dispute resolution services. Preventive mediation is offered to the parties as soon as a situation is brought to the Commission's attention, prior to the acceptance of a complaint. It allows parties to address allegations of discrimination more informally, quickly, and in a very focussed way. Under this model, a Commission mediator works with the parties to find a solution to the problem within a relatively short time frame. If a settlement is reached, the parties have the option of entering into an agreement between themselves, or of asking the Commission to approve and monitor the minutes of settlement.

The Commission's formal mediation service, which is offered to the parties after a complaint has been filed, also continued to be successful. Mediation is usually carried out before an investigation gets under way, eliminating the need for investigation and litigation in a large number of complaints.

The Commission also improved on its conciliation model, by creating two separate streams. In the first stream, the Commission refers a matter to conciliation with the proviso that, should conciliation fail, the complaint will automatically be referred to

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Tribunal. In the second stream, an expert in human rights prepares an assessment of the strengths and weaknesses of the complaint and options for settlement before the conciliation takes place. In those cases, should conciliation fail, the file returns to the Commission for decision with a detailed report including information on the conciliation process and the offers exchanged by the parties, as permitted under the Act.

The results of the mediation and conciliation programs are shown in the following three Figures. Results are not given for preventive mediation as this program is still in its infancy. Figure 5 shows the total number of settlements achieved over the last three years. The drop in 2005-2006 reflects the drop in the total caseload.

**FIGURE 5: Settlements Achieved**

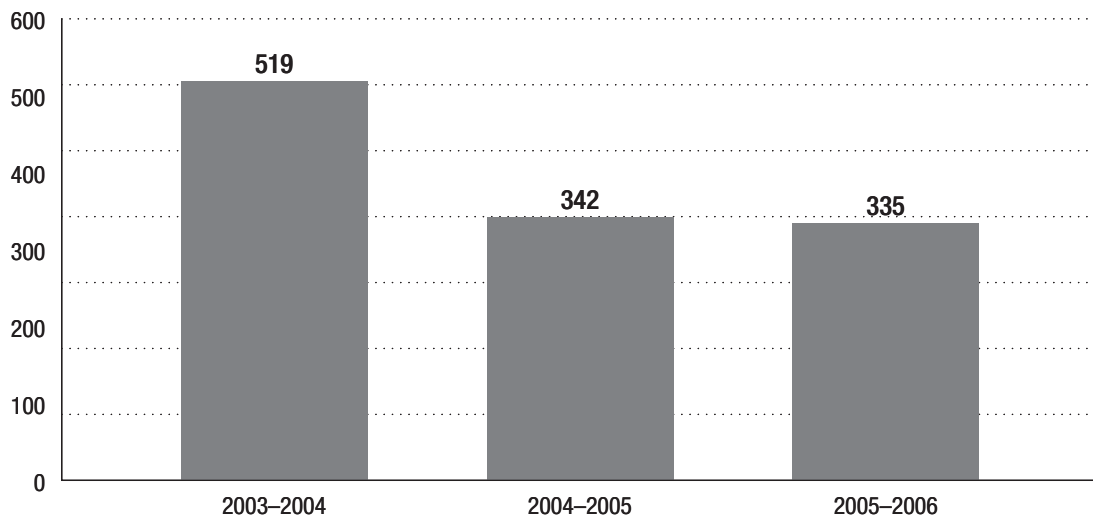
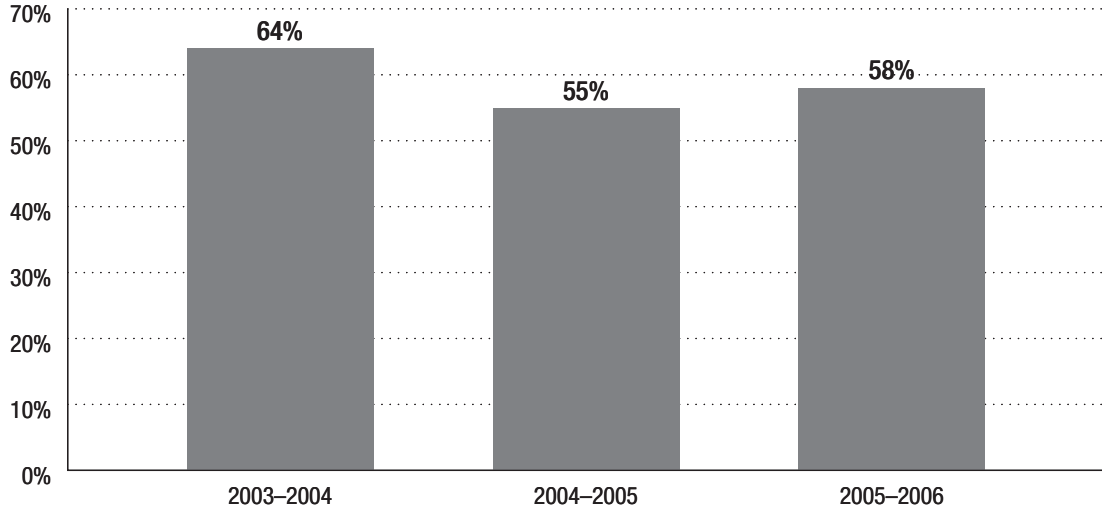
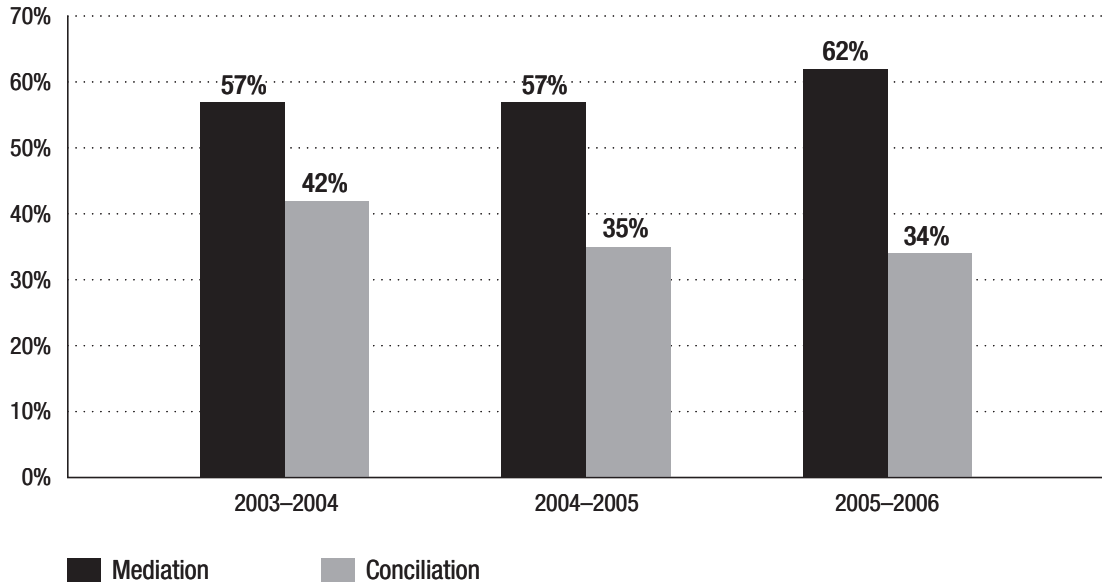


Figure 6 gives the participation rate in mediation, which is a voluntary program. The participation rate in mediation is a good indication of the confidence complainants and respondents have in the program. The participation rate is not calculated for conciliation, which is mandatory. Figure 7 shows the settlement rates for complaints that were mediated and conciliated over the last three years.

**FIGURE 6: Participation Rate in Mediation**



**FIGURE 7: Settlement Rate**

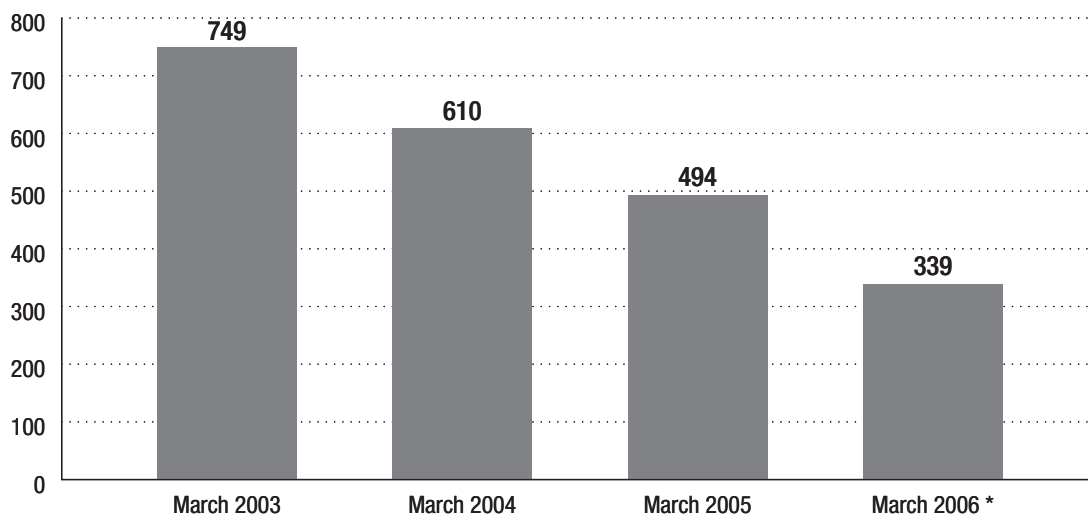


The Commission has made several improvements to its inquiry/intake process over the past year. It further simplified its procedures for dealing with complaints that should be initially dealt with through some other process (such as a grievance process or a process under another Act of Parliament), and created a new step in the complaint process called “Preliminary Assessment.” In the Preliminary Assessment stage of the process, an assessor speaks to the parties immediately after a complaint has been filed to help narrow the issues and to discuss next steps and potential outcomes. This should allow a faster resolution of the complaint.

These changes, coupled with the increased focus on alternative dispute resolution, have resulted in a decrease in the number of cases requiring investigation. They have also reduced the pressure on the Commission's litigation services, allowing it to focus on high-impact, public interest cases before the Canadian Human Rights Tribunal, and other tribunals and courts, while supporting all parties at the Tribunal's pre-hearing mediations (which achieved a 72% settlement rate in 2005-2006).

Figure 8 shows the significant reduction over the past four years in the number of complaints requiring investigation, and potentially litigation, as a result of the Commission's new service model.

**Figure 8: Investigation Caseload**



\* Including 68 cases at the Preliminary Assessment stage.

Other improvements to the complaint process included the introduction of a more informative investigation report format, continuing work on service standards, and the initiation of a satisfaction survey for alternative dispute resolution services to be implemented in the coming year.

Finally, the Commission continues to make more information on the dispute resolution process accessible to the public on its website. The website allows members of the public to obtain practical information on how to file a complaint, or on what to do if a complaint is filed against them. It also provides information on how to resolve disputes.

The Commission's success in eliminating its backlog and reducing its complaint caseload means that Canadians can have their allegations of discrimination dealt with more quickly and appropriately, and the Commission can focus its resources on the other key priorities of its legislation, such as discrimination prevention and knowledge development.

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## **A2 Develop prevention initiatives and collaborative arrangements within the federal system to promote sound human rights practices in the workplace.**

An ongoing priority for the Commission, commencing in 2004-2005, has been the implementation of the Discrimination Prevention Program. The program is now well established.

For the 2005-2006 fiscal year, the Commission was committed to engaging key employers through the signing of Memoranda of Understanding (MOUs). As a result of its efforts, ten MOUs were signed during the year involving organizations from the public as well as the private sector.

As a measure of its success, the Commission hoped to show a decrease in complaints against employers with whom the Commission signed MOUs, as well as a decrease in time to resolve complaints filed with the Commission (“through-put”), relative to last fiscal year. The ten MOUs, however, were spread throughout the year, in some cases delaying the development of action plans. As a result, the effect on the overall decrease in the number of complaints or the time to resolve them cannot yet be assessed. The Commission will continue to monitor its performance in this regard and refine the performance indicators related to the impact of its prevention work as required.

Although data does not indicate that all MOU signatories have had a decrease in the number of complaints filed against them relative to other respondents, a decrease was noticeable for certain MOU signatories. The data also showed:

- a larger increase in the number of complaints filed against non-MOU respondents (9.8%) than against MOU signatories (3.3%), and
- fewer returns from a referral to an alternate redress mechanism for MOU signatories (12.5%) than from non-MOU respondents (20.9%).

Preliminary results for the past fiscal year are encouraging. The Commission, however, identified two prime risks associated with its capacity to reach its goal. One was that the demand for service might exceed the capacity of the Commission to deliver on its prevention initiatives. The other was that the Commission might be unable to generate sufficient savings and efficiencies in the redesign of its case management system to redirect resources to this emerging priority. The Commission mitigated the first risk by offering its services in a very strategic way, identifying the largest employers as its initial key stakeholders in order to have the greatest overall impact. The Commission is presently addressing the second risk through an internal reallocation exercise.

The goal of the Discrimination Prevention Program to assist employers to reduce discrimination in workplaces and service centres through the negotiation of MOUs remains a priority for the Commission. It is beginning to see the benefits of its work

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with the first group of ten MOU signatories. Other employers have heard about the benefits of the MOUs and are becoming more interested in developing the same kind of relationship with the Commission.

The Commission's website has played an important role in the implementation of the organization's new Discrimination Prevention Program. The website provides information about the Program and gives access to a series of tools and resources for employers, employee groups and others, such as an on-line guide to employment accommodation for people with disabilities, and a video clip excerpt of a presentation on duty to accommodate, which the public can order on-line. By making prevention-related tools available to employers, the Commission aims at encouraging the provision of a discrimination-free work environment. The website allows for sharing of information about best practices for putting in place a culture of human rights in the workplace, and includes the MOUs between the Commission and federally regulated employers who have agreed to work with the Commission to that end.

The Commission has also worked on new discrimination prevention tools which are expected to be made available to employers in the next fiscal year. The new tools address the issues of harassment, racism and cross-cultural communication.

### **A3 Conducting stakeholder outreach, policy research and development, public inquiries, national human rights institution-building and human rights impact assessments of government initiatives.**

The Commission committed to design and implement a human rights research program with a view to: expanding the Commission's research and policy capacity; undertaking ongoing environmental scans to monitor emerging and systemic human rights issues; and conducting impact assessments of government initiatives.

In response to its commitment, the Commission created a Knowledge Centre. The Knowledge Centre has brought together policy, legal, and strategic initiative functions that existed throughout the Commission, to which a new research mandate was added. The Knowledge Centre is responsible for knowledge creation through research and policy development, statistical analysis, strategic proactive policy and legal advice, as well as the study of systemic issues that have an impact on a group of people or on the overall human rights system. It is also responsible for all aspects of regulatory affairs, including the development of regulations and guidelines. The Knowledge Centre began operations in November 2005.

Under section 27 (1)(b) and (f) of the *Canadian Human Rights Act*, the Commission is mandated to carry out research initiatives. A research program and a management framework were developed following the creation of the Knowledge Centre. The research program is action-oriented; it serves to advance human rights in Canadian society and could provide a starting point for debating current societal issues. Further,



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it supports the Commission's development of guidelines, regulations and policies on human rights and employment equity, strategic initiatives, and other tools to assist employers' efforts to prevent discrimination.

In developing and promoting its research program, the Commission held discussions with universities, provincial human rights commissions and agencies that have similar programs. The research program is publicized on the Commission's website at [www.chrc-ccdp.ca](http://www.chrc-ccdp.ca) and a database of researchers has been set up and is being populated.

In 2005-2006, the Knowledge Centre carried out several projects:

- **National Security and Human Rights.** The Commission sought to identify key issues in the field of national security and human rights. Areas of concerns were identified in the study which will be explored in greater detail.
- **Managing the Return to Work: The Human Rights Perspective.** The results of the study will lead the Commission to drafting guidelines intended for managers concerned with this matter.
- **No Answer, Telephone Access for Deaf and Hearing Impaired.** The study report was issued in July 2005. The Commission will work with the government to foster equal access for all.
- **A report on section 67 of the *Canadian Human Rights Act*** was produced in October 2005. The report addresses the human rights reasons for repealing section 67 and the steps needed post-repeal to ensure that First Nations people have access to an effective system for resolution of human rights issues.
- In the Fall of 2005, the Chief Commissioner presented the Commission's views before the Parliamentary Committee reviewing **anti-terrorism legislation**.
- An analytical study was conducted on complaints based on the grounds of disability and race. The study led to the development in December 2005 of **strategies and action plans on disability and race related matters**.
- In December 2005, the Commission hosted **A Serious Threat: A Conference on Combatting Hate on the Internet and Section 13 of the *Canadian Human Rights Act***. The Commission's strategy to deal with the issue includes making the best use possible of its own legal powers and working with other groups to encourage a better understanding of the harm caused by hate on the Internet.

During the period under review, the Commission worked on a number of policy projects that will be completed in 2006-2007. These include updating the Drug and Alcohol Testing Policy and following up on the Commission's 2003 report on human rights in correctional facilities for federally sentenced women.

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Some research projects have also been launched which will be completed in 2006-2007. These research projects deal with the legal and medical perspectives of environmental sensitivities, as well as the evolution of the status of sexual orientation in society and its presence as a prohibited ground in the *Canadian Human Rights Act*. The Commission also worked on a proposal for the development of a report card on the state of human rights in Canada. The model for this report card will be developed in 2006-2007 and refined in subsequent years.

Other strategic initiative projects have been completed in 2005-2006 and the release of their results is planned for 2006-2007. These projects deal with best practices in universal design, the government's provision of publications in alternative formats, and a demographic analysis of the Canadian visible minority population.

The Commission, through its newly created Knowledge Centre, managed to conduct more projects than it anticipated. The project related to the development of an environmental scan to monitor emerging and systemic human rights issues, as well as to conduct impact assessments on governmental activities, was delayed. However, the results of projects that are either completed or nearing completion will contribute to the scan.

The Commission continued to develop and enhance its website and use it as its primary tool of disseminating information to Canadians about the Commission's work. The website, through which the public can obtain a wide range of information about human rights and the Commission's activities, has become an increasingly important source of information. In 2005-2006, the Commission welcomed more than 619,000 visitors on its website, compared to 450,000 in 2004-2005 and 206,299 in 2003-2004. It now has 914 subscribers who are notified of new postings, compared to more than 600 subscribers last year. Requests for research contract proposals are now posted on the website, and there is an on-line form for qualified individuals wishing to be included in a database of potential researchers for Commission research projects. The Commission also introduced an on-line publications order form, making it easier for the public to request Commission publications. The Commission distributed close to 40,000 publications during the year.

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## PROGRAM ACTIVITY NAME

B. Conduct employment equity audits in federal and federally regulated workplaces.

<b>Financial Resources</b> (\$ thousands)		
Planned Spending	Total Authorities	Actual Spending
\$2,848	\$2,982	\$2,902

<b>Human Resources</b> (FTE)		
Planned	Actual	Difference
32	28	4

## PROGRAM ACTIVITY DESCRIPTION

The requirements of the *Employment Equity Act* are designed to ensure that federally regulated private-sector employers with more than 100 employees, Crown Corporations, and federal government departments and separate agencies take the necessary steps to identify, correct or eliminate the effects of employment discrimination on the four designated groups: women, Aboriginal peoples; persons with disabilities; and members of visible minorities. This program activity has three sub-activities to support its goals:

- Ensuring employer compliance with employment equity statutory requirements in the form of an employment equity plan;
- Ensuring reasonable efforts and reasonable progress are made towards full representation in accordance with labour market availability; and
- Conducting stakeholder outreach, policy research and development, public inquiries, and employment equity impact assessments of government initiatives.

This program activity primarily supports the Commission's priority to deliver the Employment Equity Compliance Program and design improvements. It also supports the priorities of implementing the new Discrimination Prevention Program and designing and implementing a human rights research program aimed at increasing compliance with the *Employment Equity Act*. It is expected that this program activity will result in greater representation in the workplace for the four designated groups under the *Employment Equity Act*.

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## **SUB-ACTIVITY DESCRIPTION**

### **B1 Ensuring employer compliance with employment equity statutory requirements in the form of an employment equity plan.**

The Employment Equity Compliance Program requires employers to identify barriers to employment and implement best practices to eliminate gaps in the representation of designated groups. Through the *Employment Equity Act*, the Commission is mandated to conduct audits of the federal public sector and federally regulated private sector workplaces to ensure compliance with the Act. The Commission was expected to complete approximately 56 planned audits in 2005-2006. This plan was adjusted downward to allow the Branch to redirect efforts to an overhaul of the program. During the course of the year, the Commission found 16 employers in compliance, which was down from 44 the previous year. A review of the Employment Equity Compliance Program has identified opportunities for streamlining the process to make it shorter and simpler.

A pilot of the streamlined audit process is expected to be completed by March 2007, at which point the number of audits completed per year would be increased. The revitalized audit approach, along with greater efforts on disseminating information to employers and continuing to provide them with support and education, will contribute to greater employer compliance under the *Employment Equity Act*. Performance measures will be developed to align with the new audit process.

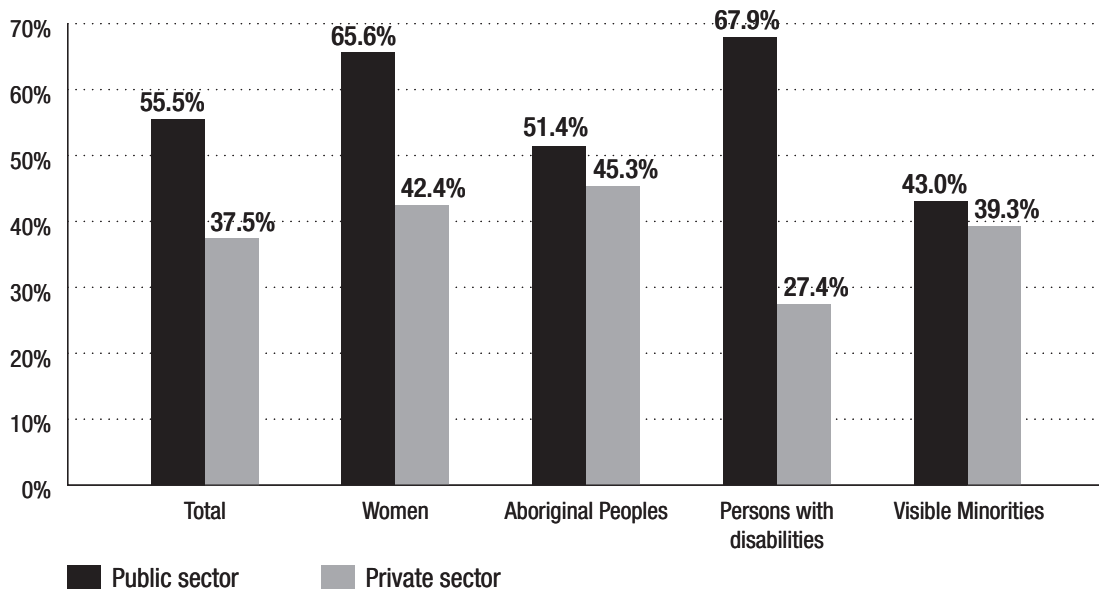
The Commission has also implemented a new and strengthened accountability regime within the Employment Equity Compliance Program, which has provided the Commissioners the opportunity to review and approve the audit reports.

### **B2 Ensuring reasonable efforts and reasonable progress are made towards full representation in accordance with labour market availability.**

The Commission monitors progress made by employers in implementing their plans and achieving an equitable workforce. This is done by monitoring the achievement of the employers' hiring and promotion goals. For the private sector, goals are measured against data that employers are required to submit annually to Human Resources & Social Development Canada. For the public sector, goals are measured against data submitted to the Public Service Human Resources Management Agency of Canada.

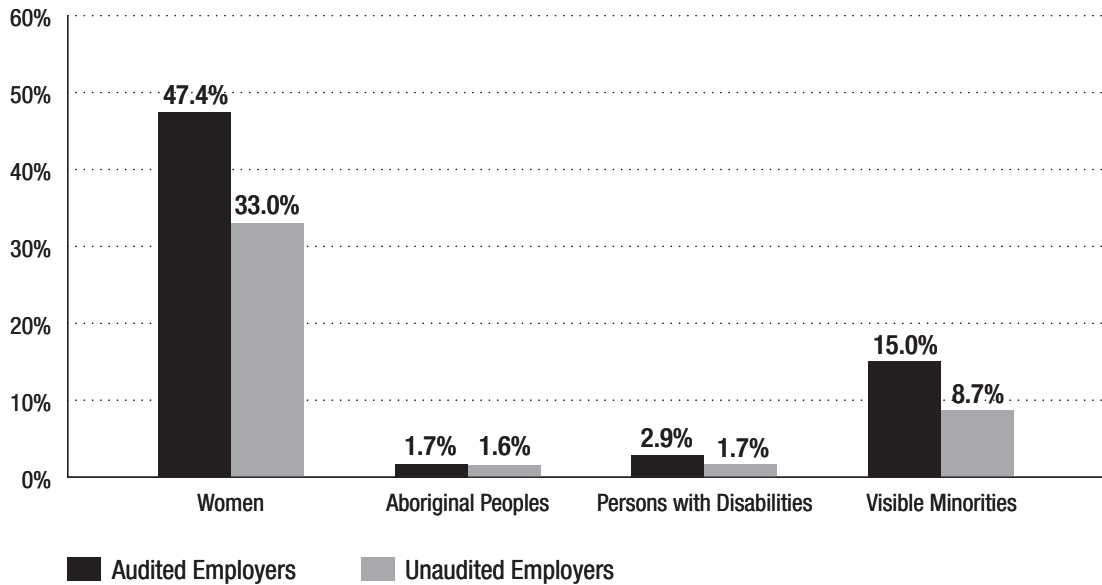
The Commission has completed the three-year monitoring of progress for about 100 employers. Approximately 37% of hiring and promotion goals for employers in the private sector were met. Results in the public sector were somewhat more positive, as 55% of goals have been met since the beginning of the program. The attainment of goals varied by sector and by designated group, from a low of 27% for persons with disabilities in the private sector to a high of 68% for the same group in the public sector.

**Figure 9: Goals Attained Among Public and Private Sector Employers**



In addition to monitoring progress regarding goals, the Commission compares the proportion of designated groups among audited and unaudited employers in the private sector to see the positive effects of conducting employer audits. Since almost all of the public sector employers have been audited, a similar comparison is not possible. The comparison made shows that the representation of groups is higher among audited employers, particularly for women and visible minorities. The proportion of women in audited employers was 47.4% in December 2005, compared to 33.0% for employers who had not yet been audited. The corresponding figures for Aboriginal Peoples were 1.7% and 1.6%; for persons with disabilities, 2.9% and 1.7%; and for visible minorities, 15.0% and 8.7%.

**Figure 10: Representation of Designated Groups Among Private Sector Employers showing Audited and Unaudited Employers**



**B3 Stakeholder outreach, policy research and development, public inquiries, and employment equity impact assessments of government initiatives.**

Sharing knowledge with employers on hiring and promotion practices that help ensure equality in the workplace for designated groups is an important part of the Employment Equity Compliance Program. As the program progresses, the Commission gathers information through the audit process on successful strategies for combating discrimination.

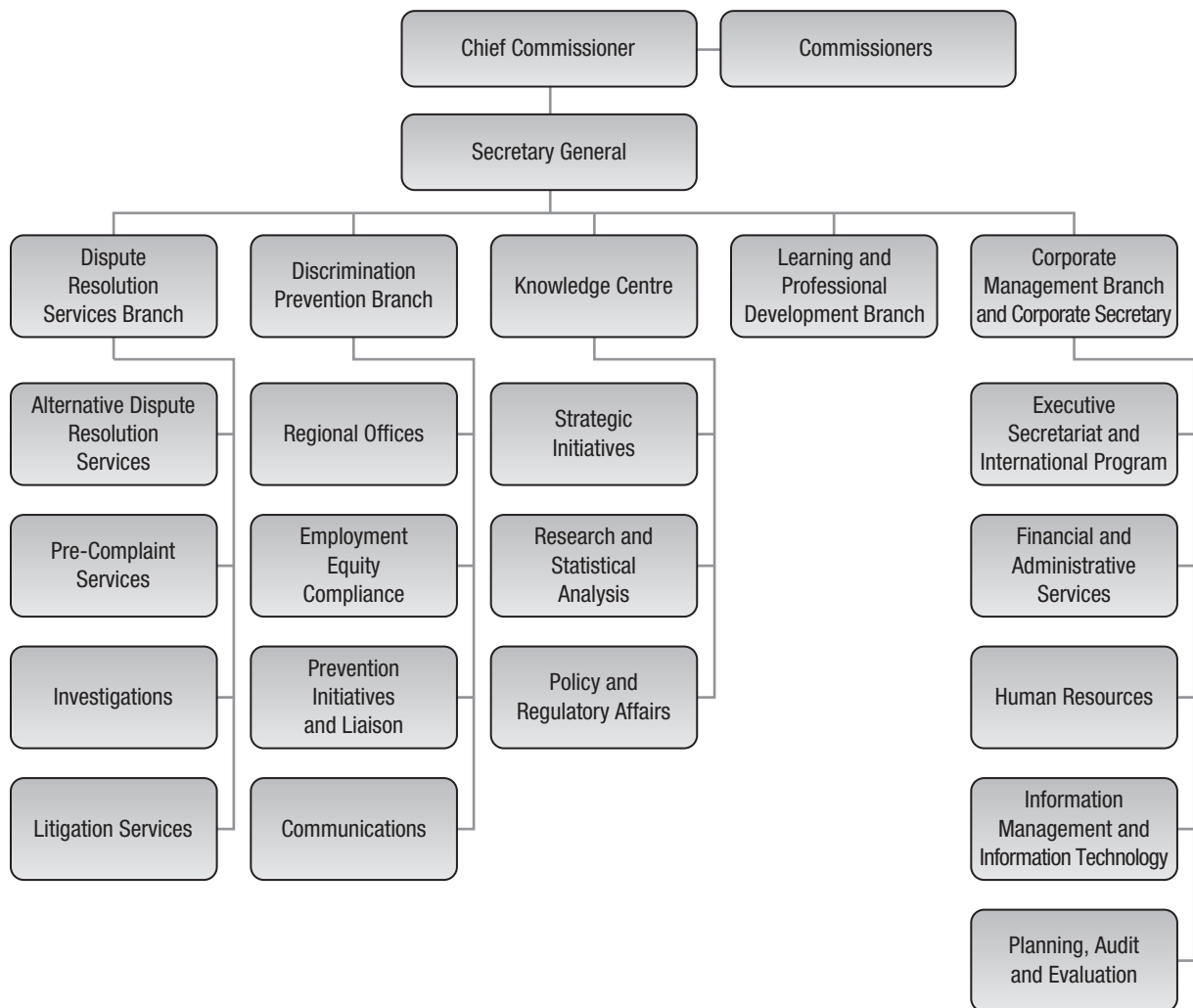
To this end, the program has been repositioned within the newly formed Discrimination Prevention Branch. This will allow the Commission to enhance its audit approach with preventive tools and information to improve the human rights culture in employers' workplaces.

Policy research and development on employment equity has been amalgamated with the other policy and research initiatives in the Knowledge Centre.

## SECTION III

## Supplementary Information

### I Organizational Information

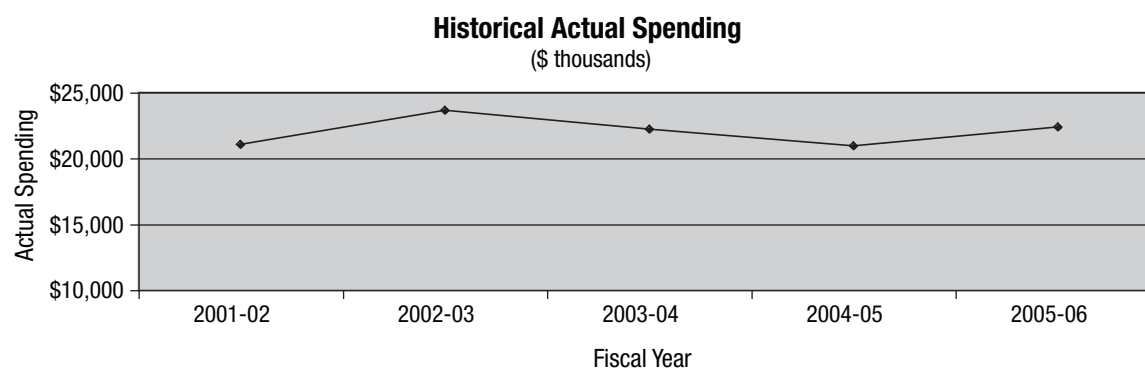


<b>Table 1: Comparison of Planned to Actual Spending</b>						
(thousands of dollars)						
	2003-04	2004-05	2005-06			
	Actual Spending *	Actual Spending *	Main Estimates	Planned Spending	Total Authorities	Actual Spending
Foster understanding of and compliance with the <i>Canadian Human Rights Act</i>	–	–	19,577	19,628	19,956	19,487
Employment equity audits in federal and federally regulated work places	–	–	2,803	2,848	2,982	2,902
<b>Total</b>	22,225	20,941	22,380	22,476	22,938	22,389
Less: Non-responsible revenue	–	–	–	–	–	–
Plus: Cost of services received without charge	3,228	3,382	3,186	3,186	3,405	3,405
<b>Total Commission Spending</b>	<b>25,453</b>	<b>24,323</b>	<b>25,566</b>	<b>25,662</b>	<b>26,343</b>	<b>25,794</b>

<b>Full-time equivalents</b>	<b>213</b>	<b>192</b>	<b>190</b>	<b>199</b>	<b>201</b>	<b>190</b>
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\* The actual spending figures for 2003-04 and 2004-05 were not collected by program activity and are therefore not available.



Note: Total Actual Spending does not include the cost of services received without charge by other departments.

During the five past years, the actual spending of the Commission has fluctuated, reaching a maximum of \$23.6 million in 2002-03. Those fluctuations were mainly due to temporary funding received for the following reasons and which was mainly sunsetted in March 2006:

- to assist the Commission in meeting its responsibilities under the *Canadian Human Rights Act* (permanent funding) and the *Employment Equity Act* (this funding sunsetted in March 2003);
- to participate in the hearings of three major pay equity complaints before the Canadian Human Rights Tribunal (this funding sunsetted in March 2006);



- to fund the development of a new Complaints Management System and Employment Equity Audit Tracking System (this funding sunsets in March 2007);
- to provide resources for the reduction of the complaints backlog, including those related to pay equity (this funding sunsetted in March 2006);
- to support the Commission's Legal Services Division with regards to program integrity pressures (permanent funding); and,
- to fund salary increases resulting from collective bargaining agreements and executive salary increases (permanent funding).

<b>Table 2: Resources by Program Activity</b>				
(thousands of dollars)				
	<b>2005-06 Budgetary</b>			
	<b>Main Estimates</b>	<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual Spending</b>
Foster understanding of and compliance with the <i>Canadian Human Rights Act</i> Operating	19,577	19,628	19,956	19,487
<b>Total for the Program Activity</b>	<b>19,577</b>	<b>19,628</b>	<b>19,956</b>	<b>19,487</b>
Employment equity audits in federal and federally regulated work places Operating	2,803	2,848	2,982	2,902
<b>Total for the Program Activity</b>	<b>2,803</b>	<b>2,848</b>	<b>2,982</b>	<b>2,902</b>
<b>Total Commission</b>	<b>22,380</b>	<b>22,476</b>	<b>22,938</b>	<b>22,389</b>

<b>Table 3: Voted and Statutory Items</b>					
(thousands of dollars)					
<b>Vote or Statutory Items</b>	<b>Truncated Vote or Statutory Wording</b>	<b>2005-06</b>			
		<b>Main Estimates</b>	<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual Spending</b>
10	Program expenditures	20,089	20,185	20,311	19,762
(S)	Contributions to employee benefit plans	2,291	2,291	2,627	2,627
	<b>Total Commission</b>	<b>22,380</b>	<b>22,476</b>	<b>22,938</b>	<b>22,389</b>

The 2005-06 Total Authorities represent an increase of approximately of \$0.6 million or 2% over the 2005-06 Total Main Estimates of \$22.4 million. This difference represents mainly funding received through the Governor General's Special Warrants for the salary increases resulting from the collective bargaining agreements.

<b>Table 4: Services Received Without Charge</b>	
(thousands of dollars)	
	<b>2005-06</b>
Accommodation provided by Public Works and Government Services Canada	2,296
Employer's contribution to the health and dental insurance plans and expenditures paid by Treasury Board of Canada Secretariat	1,103
Workers' compensation coverage provided by Human Resources and Social Development Canada	6
<b>Total 2005-06 Services received without charge</b>	<b>3,405</b>

<b>Table 5: Resource Requirements by Branch</b>			
(thousands of dollars)			
	<b>Foster understanding of and compliance with the Canadian Human Rights Act</b>	<b>Employment equity audits in federal and federally regulated work places</b>	<b>Total</b>
<b>Executive Offices (1)</b>			
Planned Spending *	592	178	770
Actual Spending	600	193	793
<b>Strategic Initiatives Branch</b>			
Planned Spending *	485	–	485
Actual Spending	444	–	444
<b>Dispute Resolution Branch (2)</b>			
Planned Spending *	9,290	–	9,290
Actual Spending	8,727	28	8,755
<b>Discrimination Prevention Branch (3)</b>			
Planned Spending *	3,549	1,800	5,349
Actual Spending	3,746	1,649	5,395
<b>Knowledge Center (4)</b>			
Planned Spending *	2,012	436	2,448
Actual Spending	1,770	424	2,194
<b>Learning and Professional Development Branch</b>			
Planned Spending *	229	32	261
Actual Spending	389	60	449
<b>Corporate Management Branch and Corporate Secretary (5)</b>			
Planned Spending *	3,471	402	3,873
Actual Spending	3,811	548	4,359
<b>Total Commission</b>			
<b>Planned Spending</b>	<b>19,628</b>	<b>2,848</b>	<b>22,476</b>
<b>Actual Spending</b>	<b>19,487</b>	<b>2,902</b>	<b>22,389</b>

\* These figures reflect adjustments made following the November 2005 restructuring.

(1) Composed of:  
Chief Commissioner's Office  
Secretary General's Office

(2) Composed of:  
Deputy Secretary General's Office  
Pre-Complaint Services Division  
Alternative Dispute Resolution Services Division  
Investigations Division  
Litigation Services Division

(3) Composed of:  
Director General's Office  
Prevention Initiatives and Liaison Division  
Employment Equity Compliance Division  
Communications Division  
Regional Offices (6)

(4) Composed of:  
Director General's Office  
Research and Statistical Analysis Division  
Policy and Regulatory Affairs Division  
Library Services

(5) Composed of:  
Director General's Office  
Financial and Administrative Services Division  
Planning, Internal Audit and Evaluation Division  
Information Management and Information Technology Division  
Human Resources Division  
Executive Secretariat and International Program Division

**Table 6: Details on Project Spending**

(thousands of dollars)

	Current Estimated Total Cost	2002-05	2005-06			
		Actual Spending	Main Estimates	Planned Spending	Total Authorities	Actual Spending
<b>Foster understanding of and compliance with the <i>Canadian Human Rights Act</i></b> Case management technology project	1,400	812	500	588	138	142
Project phase: Implementation						

## Table 7: Financial Statements

### Statement of Management Responsibility

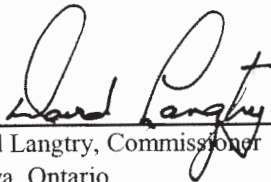
CANADIAN HUMAN RIGHTS COMMISSION

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2006 and all information contained in these statements rests with Commission management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

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

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

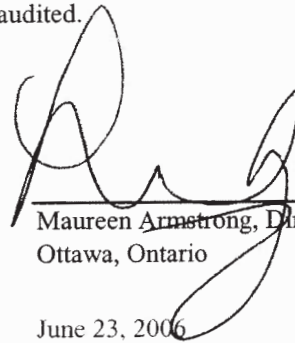
The financial statements of the Commission have not been audited.



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David Langtry, Commissioner  
Ottawa, Ontario

June 23, 2006



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Maureen Armstrong, Director General  
Ottawa, Ontario

June 23, 2006

## STATEMENT OF OPERATIONS (unaudited)

For the year ended March 31

(in dollars)

			2006	2005
	Foster understanding of and compliance with the <i>Canadian Human Rights Act</i>	Employment equity audits in federal and federally regulated work places	Total	Total
<b>Operating Expenses</b>				
Salaries, wages and benefits	15,607,012	2,807,769	<b>18,414,781</b>	17,677,942
Professional and special services	2,820,789	191,229	<b>3,012,018</b>	2,200,862
Rentals	2,137,522	359,480	<b>2,497,002</b>	2,456,718
Travel and relocation	571,107	30,522	<b>601,629</b>	474,439
Communication	400,103	16,339	<b>416,442</b>	398,769
Equipment expenses	249,628	14,770	<b>264,398</b>	348,329
Repairs and maintenance	199,765	9,303	<b>209,068</b>	204,046
Utilities, material and supplies	191,625	9,217	<b>200,842</b>	223,248
Information	157,250	6,488	<b>163,738</b>	135,034
Amortization of tangible capital assets	84,264	12,591	<b>96,855</b>	88,751
Miscellaneous	466	20	<b>486</b>	513
Claims against the Crown and court awards	–	–	–	70,688
Loss on write-off of tangible capital assets	–	–	–	6,325
<b>Total Operating Expenses</b>	<b>22,419,531</b>	<b>3,457,728</b>	<b>25,877,259</b>	<b>24,285,664</b>
<b>Revenues</b>				
Miscellaneous revenues	273	71	<b>344</b>	140
<b>Net Cost of Operations</b>	<b>22,419,258</b>	<b>3,457,657</b>	<b>25,876,915</b>	<b>24,285,524</b>

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

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## STATEMENT OF FINANCIAL POSITION (unaudited)

As at March 31

(in dollars)

	2006	2005
<b>Assets</b>		
<i>Financial Assets</i>		
Accounts receivable (note 4)	136,229	218,202
Advances - petty cash	3,350	3,200
Total Financial Assets	139,579	221,402
<i>Non-Financial Assets</i>		
Tangible capital assets (note 5)	346,619	313,683
<b>Total Assets</b>	<b>486,198</b>	<b>535,085</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 6)	2,198,473	1,987,266
Vacation pay and compensatory leave	886,900	983,500
Employee severance benefits (note 7b)	3,280,000	3,017,500
Total Liabilities	6,365,373	5,988,266
<b>Equity of Canada</b>	<b>(5,879,175)</b>	<b>(5,453,181)</b>
<b>Total Liabilities and Equity of Canada</b>	<b>486,198</b>	<b>535,085</b>
Contractual obligations (note 8)		

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

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## STATEMENT OF EQUITY (unaudited)

For the year ended March 31

(in dollars)

	2006	2005
<b>Equity of Canada, beginning of year</b>	<b>(5,453,181)</b>	(4,935,330)
Net cost of operations	<b>(25,876,915)</b>	(24,285,524)
Current year appropriations used (note 3b)	<b>22,388,988</b>	20,940,865
Revenue not available for spending	<b>(344)</b>	(140)
Change in net position in the Consolidated Revenue Fund (note 3c)	<b>(342,323)</b>	(561,677)
Other adjustments	–	6,325
Services received without charge from other government departments (note 9)	<b>3,404,600</b>	3,382,300
<b>Equity of Canada, end of the year</b>	<b>(5,879,175)</b>	(5,453,181)

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



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## STATEMENT OF CASH FLOW (unaudited)

For the year ended March 31

(in dollars)

	2006	2005
<b>Operating Activities</b>		
Net Cost of Operations	<b>25,876,915</b>	24,285,524
<i>Non-cash items included in Net Cost of Operations:</i>		
Amortization of tangible capital assets (note 5)	<b>(96,855)</b>	(88,751)
Loss on write-off of tangible capital assets	–	(6,325)
Services received without charge from other government departments (note 9)	<b>(3,404,600)</b>	(3,382,300)
<i>Variations in Statement of Financial Position:</i>		
Decrease in accounts receivable	<b>(81,973)</b>	(78,198)
Increase in advances - petty cash	<b>150</b>	200
Increase in accounts payable and accrued liabilities	<b>(211,207)</b>	(450,954)
Decrease (increase) in vacation pay and compensatory leave	<b>96,600</b>	(116,300)
Decrease (increase) in employee severance benefits	<b>(262,500)</b>	116,500
<b>Cash Used by Operating Activities</b>	<b>21,916,530</b>	20,279,396
<b>Capital Investment Activities</b>		
Acquisitions of tangible capital assets (note 5)	<b>129,791</b>	105,977
<b>Cash Used by Capital Investment Activities</b>	<b>129,791</b>	105,977
<b>Net Cash Provided by Government</b>	<b>22,046,321</b>	20,385,373

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

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## NOTES TO THE FINANCIAL STATEMENTS (unaudited)

### 1. Authority and Objective

The Canadian Human Rights Commission was established in 1977 under Schedule II of the *Financial Administration Act* in accordance with the *Canadian Human Rights Act*.

The mandate of the Canadian Human Rights Commission is to discourage and reduce discriminatory practices by dealing with complaints of discrimination on the prohibited grounds in the *Canadian Human Rights Act*; conducting audits of federal departments and agencies and federally regulated private companies to ensure compliance with the *Employment Equity Act*; conducting research and information programs; and working closely with other levels of government, employers, service providers, and community organizations to promote human rights principles.

### 2. Significant Accounting Policies

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

Significant accounting policies are as follows:

#### *(a) Parliamentary appropriations*

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

#### *(b) Net cash provided by government*

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

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

Change in net position in the Consolidated Revenue Fund is the difference between the net cash provided by the Government and appropriations used in a year, excluding the amount of non-respendable revenue recorded by the Commission. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

***(d) Revenues***

Revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

***(e) Expenses***

Expenses are recorded on the accrual basis:

- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
- Services received without charge by other government departments for accommodation, employer's contribution to the health and dental insurance plans, worker's compensation coverage and legal services are recorded as operating expenses at their estimated cost.

***(f) Employee future benefits***

• **Pension benefits**

Eligible employees participate in the Public Service Pension Plan, a multi-employer plan administered by the Government of Canada. The Commission's contributions to the Plan are charged to expenses in the year incurred and represent the total Commission obligation to the Plan. Current legislation does not require the Commission to make contributions for any actuarial deficiencies of the Plan.

• **Severance benefits**

Employees are entitled to severance benefits under collective agreements or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

***(g) Accounts receivable***

Accounts receivable are stated at amounts expected to be ultimately realized. A provision is made for accounts receivable where recovery is considered uncertain.

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***(h) Tangible capital assets***

Tangible capital assets and leasehold improvements having an initial cost greater than \$5,000 are recorded at their acquisition cost and are amortized on a straight line basis over their estimated useful lives, as follows:

<b>Tangible capital asset class</b>	<b>Amortization period</b>
Informatics hardware	3 to 5 years
Informatics software	3 to 5 years
Other equipment	1 to 15 years
Motor vehicles	5 years
Leasehold improvements	Over the term of the lease

Amortization commences the month following the asset is put into service.

***(i) Measurement uncertainty***

The preparation of these financial statements in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting principles for the public sector, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. Accrued liabilities, the liability for employee severance benefits and the useful life of tangible capital assets are the most significant items where estimates are used. 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 Commission receives its funding through annual Parliamentary appropriations. Items recognized in the Statement of Operations and the Statement of Financial Position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Commission has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The following tables present the reconciliation between the current year appropriations used, the net cost of operations and the net cash provided by the Government:

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

(in dollars)	2006	2005
Net Cost of Operations	<b>25,876,915</b>	24,285,524
<i>Items affecting net cost of operations but not affecting appropriations:</i>		
Variation in vacation pay and compensatory leave	<b>96,600</b>	(116,300)
Refunds of previous year's expenses	<b>57,935</b>	32,725
Revenue not available for spending	<b>344</b>	140
Justice Canada fees	<b>(8,642)</b>	–
Amortization of tangible capital assets	<b>(96,855)</b>	(88,751)
Variation in employee severance benefits	<b>(262,500)</b>	116,500
Services received without charge from other government departments	<b>(3,404,600)</b>	(3,382,300)
Loss on write-off of tangible capital assets	–	(6,325)
	<b>(3,617,718)</b>	(3,444,311)
<i>Items not affecting net cost of operations but affecting appropriations:</i>		
Acquisitions of tangible capital assets	<b>129,791</b>	105,977
Loss on write-off of tangible capital assets	–	(6,325)
	<b>129,791</b>	99,652
<b>Current year appropriation used</b>	<b>22,388,988</b>	20,940,865

***(b) Appropriations provided and used:***

(in dollars)	2006	2005
Program expenditures - Vote 10	<b>20,311,000</b>	20,200,000
Statutory - Contributions to employee benefits plan	<b>2,626,882</b>	2,415,831
Proceeds from the disposal of surplus Crown assets	<b>24</b>	48
	<b>22,937,906</b>	22,615,879
Lapsed	<b>(548,908)</b>	(1,675,004)
	<b>22,388,998</b>	20,940,875
Proceeds from the disposal of surplus Crown assets available for use in the subsequent year	<b>(10)</b>	(10)
<b>Current year appropriation used</b>	<b>22,388,988</b>	20,940,865

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

(in dollars)	2006	2005
Net cash provided by Government	<b>22,046,321</b>	20,385,373
Revenue not available for spending	<b>344</b>	140
Loss on write-off of tangible capital assets	–	(6,325)
<i>Change in net position in the Consolidated Revenue Fund:</i>		
Increase in accounts payable and accrued liabilities	<b>211,207</b>	450,954
Decrease in accounts receivable	<b>81,973</b>	78,198
Refunds of previous year's expenses	<b>57,935</b>	32,725
Increase in advances - petty cash	<b>(150)</b>	(200)
Justice Canada fees	<b>(8,642)</b>	–
	<b>342,323</b>	561,677
<b>Current year appropriations used</b>	<b>22,388,988</b>	20,940,865

**4. Accounts Receivable**

(in dollars)	2006	2005
Other government departments	<b>52,194</b>	217,488
External parties	<b>84,035</b>	714
	<b>136,229</b>	218,202

## 5. Tangible Capital Assets

<b>Tangible capital assets</b> (in dollars)	<b>Balance beginning of year</b>	<b>Acquisitions</b>	<b>Disposals / write-offs</b>	<b>Balance end of year</b>
Informatics hardware	263,219	28,180	103,975	<b>187,424</b>
Informatics software	59,662	9,000	–	<b>68,662</b>
Other equipment	79,444	10,119	–	<b>89,563</b>
Motor vehicles	22,040	–	–	<b>22,040</b>
Leasehold improvements	324,661	82,492	–	<b>407,153</b>
	<b>749,026</b>	<b>129,791</b>	<b>103,975</b>	<b>774,842</b>

<b>Accumulated amortization</b> (in dollars)	<b>Balance beginning of year</b>	<b>Amortization</b>	<b>Disposals / write-offs</b>	<b>Balance end of year</b>
Informatics hardware	204,065	11,821	103,975	<b>111,911</b>
Informatics software	15,693	13,209	–	<b>28,902</b>
Other equipment	43,081	10,201	–	<b>53,282</b>
Motor vehicles	16,530	4,408	–	<b>20,938</b>
Leasehold improvements	155,974	57,216	–	<b>213,190</b>
	<b>435,343</b>	<b>96,855</b>	<b>103,975</b>	<b>428,223</b>

<b>Net book value</b> (in dollars)	<b>Balance beginning of year</b>	<b>Balance end of year</b>
Informatics hardware	59,154	<b>75,513</b>
Informatics software	43,969	<b>39,760</b>
Other equipment	36,363	<b>36,281</b>
Motor vehicles	5,510	<b>1,102</b>
Leasehold improvements	168,687	<b>193,963</b>
	<b>313,683</b>	<b>346,619</b>

Amortization expense for the year ended March 31, 2006 is \$96,855 (\$88,751 in 2005).

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## 6. Accounts Payable and Accrued Liabilities

(in dollars)	2006	2005
External parties		
Accounts payable and accrued liabilities	<b>1,152,622</b>	1,566,683
Accrued salaries	<b>342,190</b>	309,161
Other government departments		
Accounts payable	<b>703,661</b>	111,422
	<b>2,198,473</b>	1,987,266

## 7. Employee Future Benefits

### *a) Pension benefits*

The Commission's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits provide for pensions equal to 2% of the average of the five highest consecutive years' salary for each year of service to a maximum of 35 years. The benefits are integrated with Canada/Quebec Pension Plan benefits and they are indexed to inflation.

Both the employees and the Commission contribute to the cost of the Plan. In 2005-06, the expenses amount to \$2,364,194 (\$2,193,574 in 2004-05), which represents approximately 2.6 times the contributions by employees.

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

### *b) Severance benefits*

The Commission provides severance benefits to its employees based on eligibility, years of service and final salary. The liability for severance benefits is not funded by Parliamentary appropriations, but the benefits paid during the year are funded. The severance benefits as of March 31 are as follows:

(in dollars)	2006	2005
Liability for employee severance benefits, beginning of year	<b>3,017,500</b>	3,134,000
Expense for the year	<b>375,698</b>	(51,171)
Benefits paid during the year	<b>(113,198)</b>	(65,329)
<b>Liability for employee severance benefits, end of year</b>	<b>3,280,000</b>	3,017,500



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## 8. Contractual Obligations

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

(in dollars)

2006-07	<b>175,700</b>
2007-08	<b>76,800</b>
2008-09	<b>67,700</b>
2009-10	<b>61,500</b>
2010-11	<b>30,600</b>

## 9. Related Party Transactions

The Commission is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Commission enters into transactions with these entities in the normal course of business and on normal trade terms.

During the year, the Commission receives services without charge from other departments, which are recorded at their estimated cost in the Statement of Operations as follows:

(in dollars)	<b>2006</b>	2005
Accommodation provided by Public Works and Government Services Canada	<b>2,296,100</b>	2,273,900
Employer's contribution to the health and dental insurance plans and expenditures paid by Treasury Board of Canada Secretariat	<b>1,102,600</b>	1,102,300
Worker's compensation coverage provided by Human Resources and Social Development Canada	<b>5,900</b>	5,900
Salary and associated expenditures of legal services provided by the Department of Justice Canada	–	200
	<b>3,404,600</b>	3,382,300

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

**Table 8: Procurement and Contracting**

Points to Address	Commission's Input
1. Role played by procurement and contracting in delivering programs	Procurement and contracting play a central role in the delivery of the Commission's human rights mandate. Particularly, procurement allows the department to obtain highly specialized professional services (ie. consultants, legal counsel, expert witnesses) in support of its mandate. Contracting allows the Commission not only to achieve operational requirements, but also to spur growth in the Canadian economy.
2. Overview of how the department/agency manages its contracting function	The Commission operates in a centralized environment with procurement personnel at headquarters. Its procurement authorities are outlined in the CHRC Delegations of Financial Signing Authorities document. Advice and guidance on contracting policies and procedures is provided to managers and are posted on the intranet. The Commission has a Contract Review Committee with clear criteria for the review of contracts and for making recommendations to the Secretary General. All contracts, whether sole source over \$10,000 or competitive over \$25K, are reviewed.
3. Progress and new initiatives enabling effective and efficient procurement practices	The Commission has made available on its Intranet site detailed procurement operational policies, processes, procedures, definitions and tools. Templates have been developed for Requests for Contract, Requests for Contract Amendment and Request for Proposal (RFP).  Key accomplishments: The Commission has provided its staff with standardized and comprehensive contracting and procurement administrative tools to facilitate the delivery of the Commission's mandate.

## SECTION IV

## Other Items of Interest

### CORPORATE MANAGEMENT

Corporate management encompasses services provided in all aspects of the Commission's administration. This includes finance and administration, human resources, learning and professional development, planning, audit and evaluation, information management and information technology.

#### *Total Corporate Services Actual Spending*

<b>Financial Resources*</b> (\$ thousands)	
Planned Spending	Actual Spending
\$5,107	\$5,669

<b>Human Resources*</b> (FTE)	
Planned	Actual
58	52

\* All actual expenditures are prorated in the actual expenditures of the two program activities.

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### ***Initiatives with Significant Impact on Overall Commission Performance***

In 2005-2006, the Commission continued to demonstrate its commitment to sound management practices outlined in the Government-Wide Management Agenda referred to as the Management Accountability Framework (MAF). Specific priorities identified in the *2005-2006 Report on Plans and Priorities (RPP)* for the period under review pertain to the ten key areas of the MAF.

#### ***Public Service Values***

The Commission launched a formal dialogue on public sector values and ethics by providing awareness sessions and workshops to its staff in 2004. In 2005, this work continued with a number of employee consultations around the Public Service Code of Values and Ethics in order to strengthen the foundation for working in a respectful and productive environment. A Commission Code of Conduct has been developed and will be implemented shortly.

#### ***Governance and Strategic Direction***

During the period under review, the leadership of the Commission continued to focus on establishing a culture of innovation and continuous improvement in management practices. The Commission provided monthly reports to Commissioners on program results and monitored on an ongoing basis financial, human and materiel resource indicators of sound practice. In November 2005, the organization was restructured in order to better reflect its mandate and support its business objectives.

#### ***Results and Performance***

In 2005-2006, the Commission continued its focus on results measurement. The Commission's Performance Management Framework and Results-based Management Accountability Framework (RMAF) were developed. These frameworks will be finalized during 2006-2007 to reflect the recent organizational restructuring.

During the reporting period, the Commission developed a set of operational performance reports that serve as a "dashboard" indicating when the organization is on track or when it may be veering from result targets. These are presented to staff and Commissioners to guide day-to-day activity and ensure corrective actions are taken.

#### ***Policy and Programs***

During the reporting period, the Commission strengthened its research, policy and analytical capacity to ensure high-quality advice to Commissioners, stakeholders and the Canadian public.

This was done through the organizational restructuring exercise which resulted in the creation of a Knowledge Centre.

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### ***People***

In 2005-2006, the Commission successfully established a new human resources management regime in accordance with the requirements of the *Public Service Modernization Act* (PSMA) and the new direct authorities vested with deputy or agency heads. Human resources sub-delegations were put in place; training for managers was conducted as a pre-condition for delegations; staffing tool kits and support materials were developed and distributed to all managers; and information sessions on the PSMA were held for Commission employees.

### ***Citizen-Focussed Service***

In 2005-2006, the Commission planned to explore and develop tools for measuring client satisfaction. The Commission commenced a client satisfaction study of its mediation process and will consider other types of client satisfaction studies during 2006-2007.

During the reporting period, the Commission continued its work on modernizing its electronic infrastructure for managing information and business applications - the Complaint Management System and the Employment Equity Audit Tracking System. Once completed, these business applications will yield benefits in terms of enhanced on-line service for Canadians.

### ***Risk Management***

In 2005-2006, the Commission made progress on the development of a risk management policy and framework. During the current fiscal year, the policy and framework will be refined and updated to reflect the restructured organization. The development of a strategy to implement the framework, and the delivery of risk management training to management and staff were planned for in 2005-2006. Due to unforeseen operational constraints, these activities were not completed before year end but will be completed during 2006-2007.

### ***Stewardship***

During the reporting period, the Commission continued to hold awareness sessions and workshops for staff to ensure that the control regime principles are clear and understandable. The Internal Audit and Evaluation function continued to provide professional advice to managers on internal controls, evaluation and risk-related matters.

### ***Accountability***

In 2005-2006, the Commission revised its governance structure to clarify accountability at different levels of management. In addition it revised its human resources delegations to ensure that authorities are clear and appropriate. In 2005-2006 the Commission planned to fully implement an action plan in response to an internal financial audit of the Commission. One item remains to be implemented during 2006-2007. Also, financial delegations will be revised in 2006-2007.

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### ***Learning, Innovation and Change Management***

The Commission is in the process of building the foundation of a learning organization. A learning framework, policy and procedures have been created. Practices related to employee training and development, learning, recognition and counselling are in place and demonstrate the Commission's continuing commitment to the lifelong learning of its employees. The focus in the next few years will be on establishing strong links with the modernization of human resources management in the Public Service, and coherence with the accountability in the People Component of the Management Accountability Framework (PCMAF).

In August 2005, the Commission was a finalist for the Institute of Public Administration of Canada's Innovative Management Awards. This nomination recognized the success of the Commission's change management process.