



ALBERTA
OMBUDSMAN



2016-17 Annual Report

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Our vision

Equitable treatment for all.

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Our mission

The Alberta Ombudsman provides oversight of public services in Alberta to ensure fair treatment through independent investigations, recommendations and education.

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Our values

Integrity, respect, accountability and independence.

We also value a working environment that fosters personal and professional growth and development, collaboration and teamwork, and innovation and creativity.

Message from the Ombudsman

PLANNING FOR CHANGE



Welcome to the 2016-17 annual report. The past year has been one of considerable change, both for the office of the Alberta Ombudsman, and for myself personally.

I was appointed Alberta Ombudsman as of July 4, 2017 following the retirement of Peter Hourihan, Alberta's eighth Ombudsman. Peter led the office since 2011, and introduced significant and positive changes to the office. These included a series of organizational innovations, creating investigative teams, instituting an own motion team, and overseeing the implementation of a new case management system. Of course, in 2013 Peter was also appointed the province's first Public Interest Commissioner – an honour I am also humbled to take on, given his

groundbreaking work in establishing the office and beginning a new chapter of promoting oversight, transparency and accountability across Alberta's public sector.

Apart from these changes, the office worked through 2016-17 to ready itself for expanded jurisdiction over municipalities. Significant work has been underway for more than a year as our office works towards accepting municipal complaints likely by April 1, 2018. Following passage of Bill 21 in late 2016, amendments to the *Municipal Government Act* essentially bring our services to residents of Alberta's 348 municipalities. This will fundamentally change our workload and add a new focus to our operations.

Because the Alberta Ombudsman is an impartial and neutral independent office of the Legislative Assembly, we are uniquely positioned to investigate complaints related to municipalities. As Canada's oldest parliamentary ombudsman office with 50 years of experience, we look forward to working in a meaningful and collaborative manner with both complainants and municipalities in the future.

This is an opportune time to review the way our office approaches and conducts reviews of complaints, and significant work has been undertaken by a committee in my office dedicated to preparing for municipal oversight. Given the expected higher volume of complaints over the coming years, and after consulting with other Ombudsman offices across the country with similar municipal jurisdiction, we expect to utilize a more informal resolution-based approach to investigations. This will not impact the outcome a complainant might have. Instead, these changes will assist us internally and help find the best way to efficiently manage incoming complaints. For example, if an Albertan calls our office and complains they are being denied assistance with an eviction notice,

an investigator may be able to call a manager in an income support office and come up with solutions. We have been utilizing this model for some time now, and have found it can work well and result in positive outcomes given the right scenario. This is just one of many changes our office has been studying and working on over the past year.

Work also continued this year on outreach and educational initiatives. A new offering initiated last year is training programs on decision-writing. Our office has delivered 13 education sessions and presentations to authorities and programs including Maintenance Enforcement Program, Law Enforcement Standards, and the Correctional Services Staff College within in the department of Justice and Solicitor General, Health, Continuing Care Services (Alberta Health Services), Children's Services, and other Government of Alberta staff presentations held during our mobile outreach sessions.

Speaking of mobile outreach sessions, these continue to be well received throughout the province, and have done much to enhance the understanding and awareness of the role our office plays, and the rights and obligations complainants and public authorities have when it comes to fair treatment.

We held three mobile outreach sessions in 2016: Camrose and Drumheller in April; Edson and Whitecourt in June; and, Brooks and Medicine Hat in October 2016. This gave Albertans the opportunity to meet one-on-one with an investigator or analyst to discuss their concerns or problems.

Earlier, I mentioned the office's 50 years of experience. It's encouraging to enter a workplace with such a long and distinguished history. It's only fitting, then, that we've spent some time this past year planning events for the public and stakeholders to join us in celebrating our half century of service.

Previous Ombudsman officeholders have used this space to acknowledge accomplishments while recognizing the necessity for improvement. Being new to the office, I can only commit to building on the legacy of my eight predecessors. Our strategic planning process remains robust and the entire office remains committed to constantly reviewing and fine-tuning our operational activities. As we approach a changing environment, our experience this past year – and from previous years – in planning for change, will help us remain ready to respond to change, adapt to new environments, and retain flexibility and creativity to serve our fellow Albertans in the pursuit of fair treatment by the public sector.



Marianne Ryan
Alberta Ombudsman

Year in Review

April 1, 2016 through March 31, 2017

3,390 Oral complaints received (up 2.5% from 2015-16)

- 62 Informal resolutions
- 918 Referred to other remedy or appeal
- 2,021 Non-jurisdictional
- 160 Written correspondence requested
- 229 Information provided

1,164 Written complaints received (down 5.7% from 2015-16)

- 132 New formal investigations
- 17 New Alternative Complaint Resolution (ACR) cases
- 1,015 No investigation initiated (includes Referred to other remedy or appeal; Non-jurisdictional; Information provided)

234 Cases carried forward from previous years

1,175 Written cases closed as of March 31, 2017 (down 1.2% from 2015-16)

- 136 Formal investigations closed containing 170 issues
 - 49 Supported issues
 - 110 Unsupported issues
 - 11 Discontinued issues
- 1,018 No investigation initiated (includes Referred to other remedy or appeal; Non-jurisdictional; Information provided)
- 21 ACR cases closed containing 21 issues
 - 20 Successful issues
 - 0 Unsuccessful issues (no formal investigation opened; no remedy available)
 - 1 Discontinued issue

223 Cases carried forward to 2017-18

Of the 1,164 written complaints received, the most common authorities by volume of complaints are:

- 153 Justice and Solicitor General (includes Correctional Services @ 88; MEP @ 30)
- 97 Community and Social Services (includes AISH @ 28; Alberta Works @ 32; Appeals Secretariat @ 21)
- 52 Workers' Compensation Board
- 47 Children's Services
- 33 Health Professions (includes College of Physicians and Surgeons of Alberta @ 12)

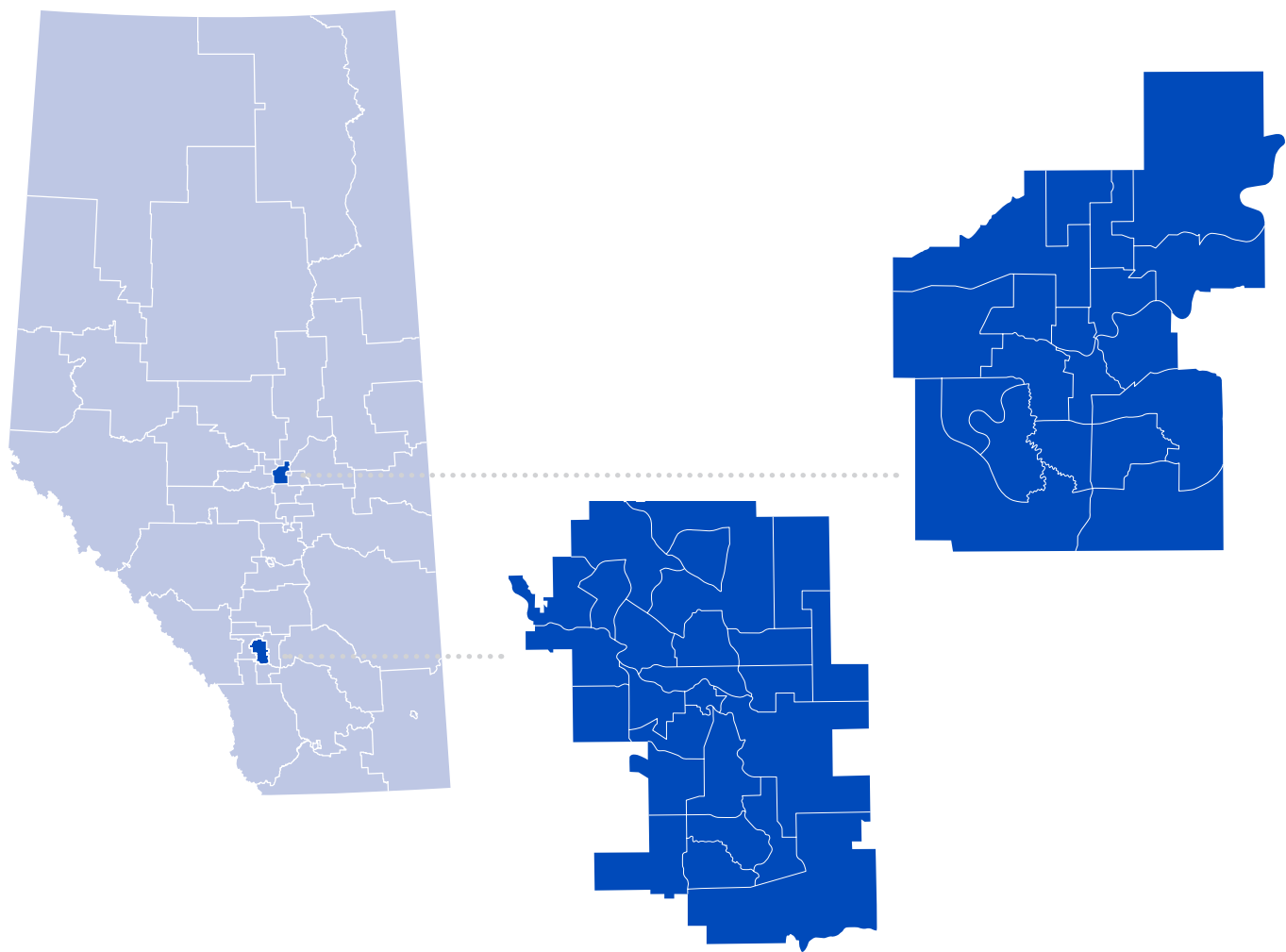
Complaints by Electoral Division

2016-17

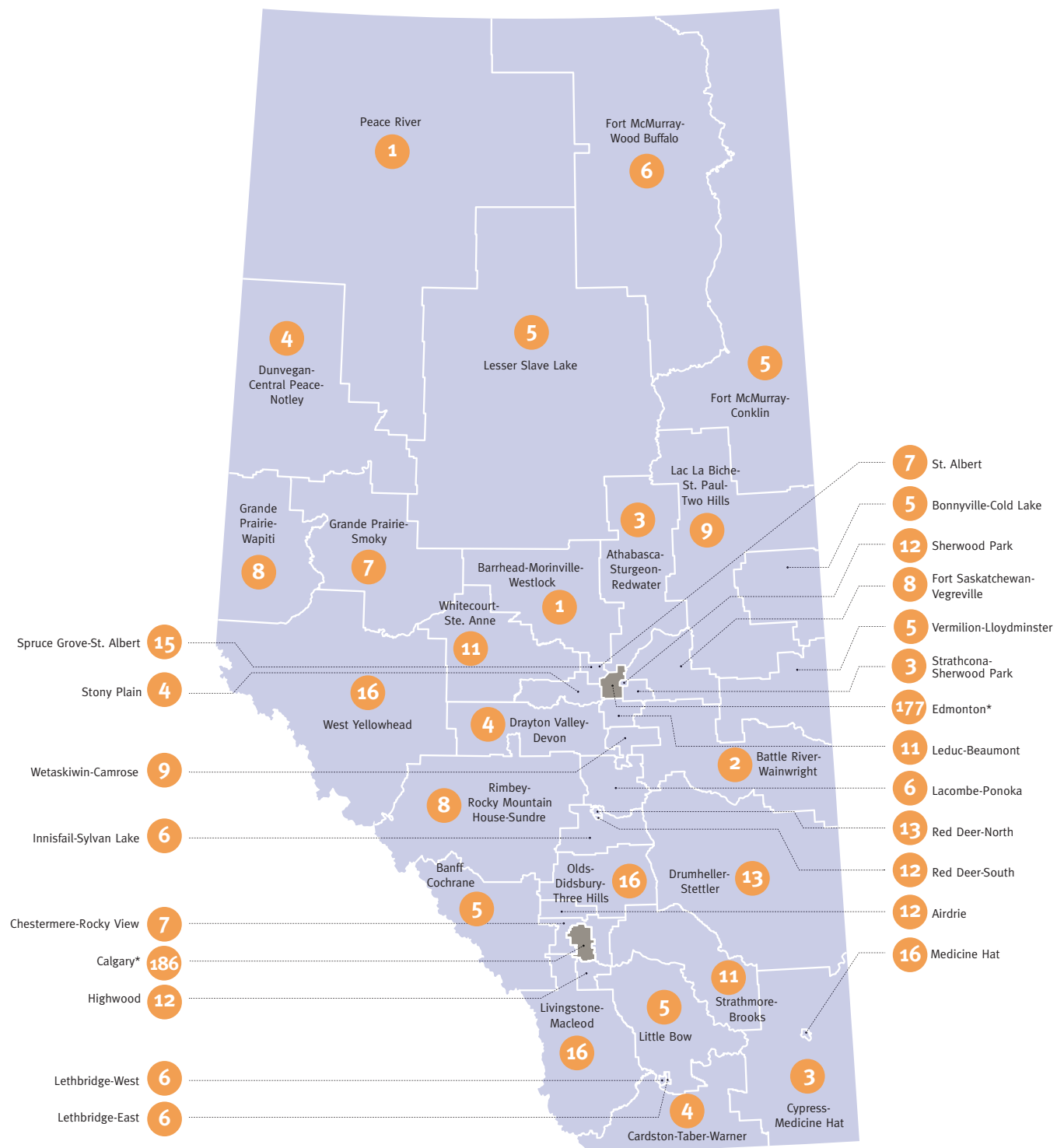
The figures on the maps refer to written complaints received between April 1, 2016 and March 31, 2017 and do not include complaints that originated in provincial correctional centres (81) and out-of-province/no city, address specified/unknown/sent via email (382).

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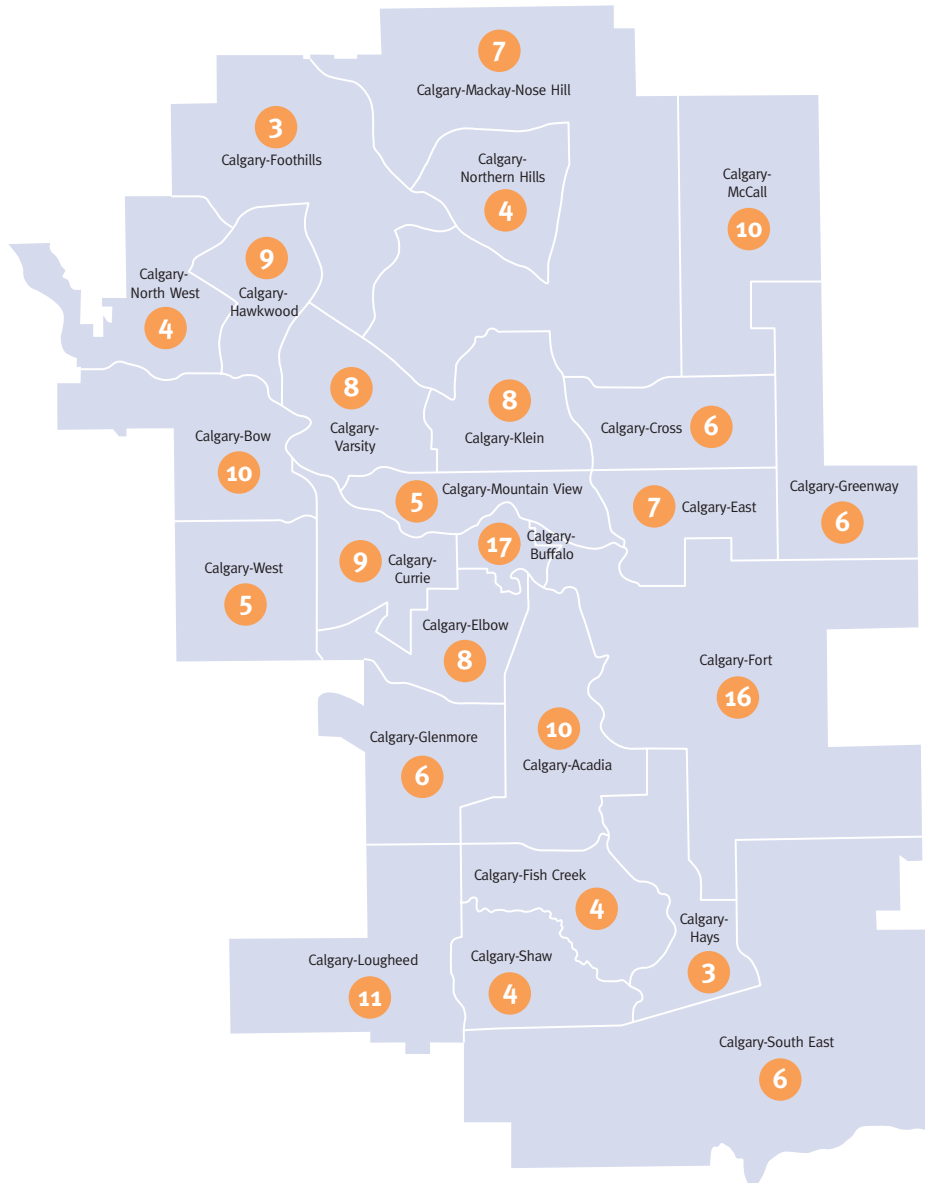


Complaints by Electoral Division



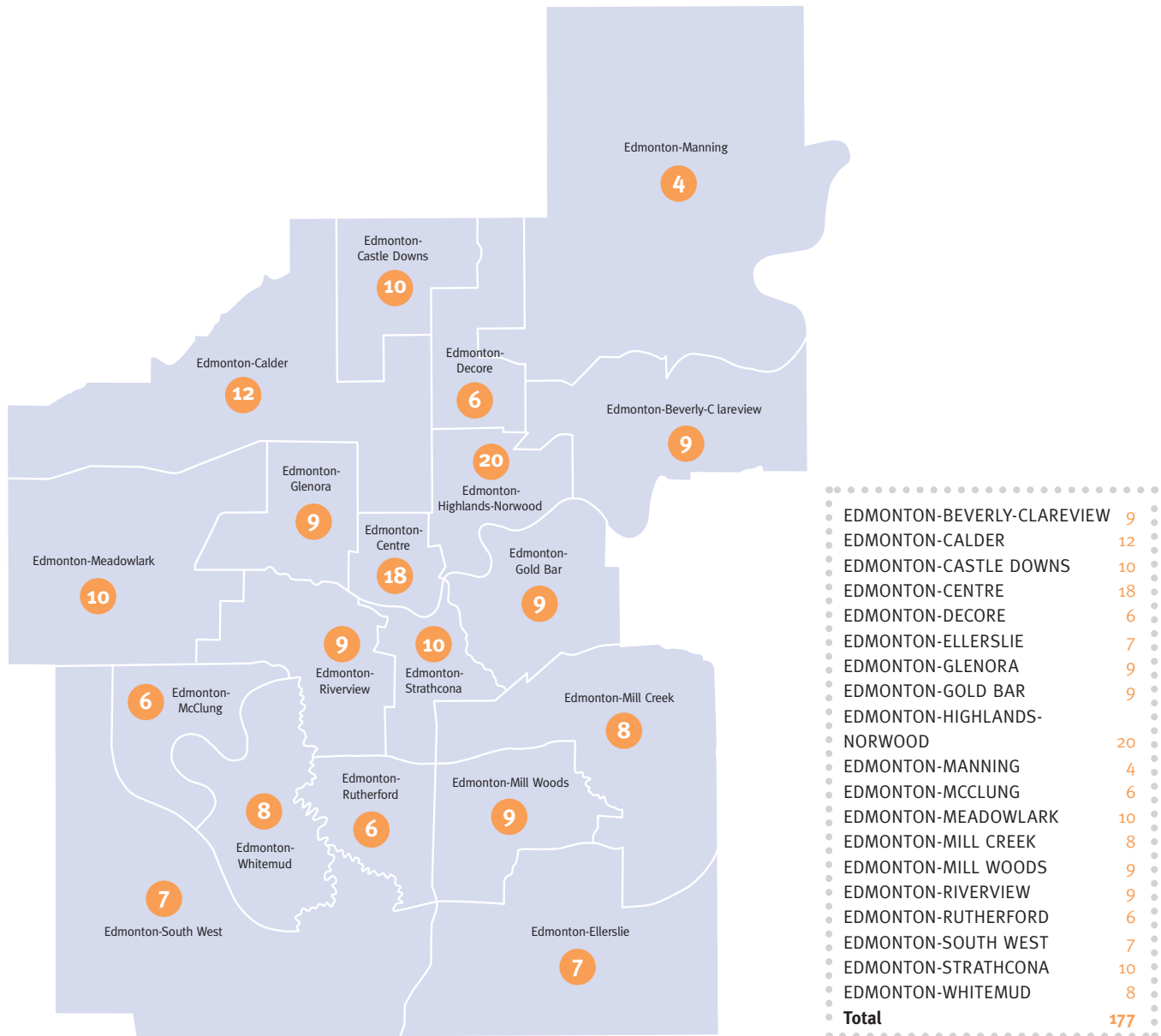
*Denotes multiple electoral divisions in the region. See pages 9-10.

Calgary Electoral Division



CALGARY-ACADIA	10
CALGARY-BOW	10
CALGARY-BUFFALO	17
CALGARY-CROSS	6
CALGARY-CURRIE	9
CALGARY-EAST	7
CALGARY-ELBOW	8
CALGARY-FISH CREEK	4
CALGARY-FOOTHILLS	3
CALGARY-FORT	16
CALGARY-GLENMORE	6
CALGARY-GREENWAY	6
CALGARY-HAWKWOOD	9
CALGARY-HAYS	3
CALGARY-KLEIN	8
CALGARY-LOUGHEED	11
CALGARY-MACKAY-NOSE HILL	7
CALGARY-MCCALL	10
CALGARY-MOUNTAIN VIEW	5
CALGARY-NORTH WEST	4
CALGARY-NORTHERN HILLS	4
CALGARY-SHAW	4
CALGARY-SOUTH EAST	6
CALGARY-VARSITY	8
CALGARY-WEST	5
Total	186

Edmonton Electoral Division



Ombudsman Recommendations

Professional Associations and Colleges

Alberta College of Medical Diagnostic & Therapeutic Technologists	1
Alberta College of Optometrists	3
Alberta College of Social Workers	4
Alberta Dental Association and College	6
College and Association of Registered Nurses of Alberta	4
College of Physicians and Surgeons of Alberta	10

Boards, Agencies, Commissions

Alberta Human Rights Commission	6
Alberta Veterinary Medical Association	1
Appeals Commission for Alberta Workers' Compensation	1
Mental Health Review Panel	5
Out-of-Country Health Services Panel	1
Patient Concerns Resolution Process	5
Workers' Compensation Board	1

Departments

Culture and Tourism Ministry	3
Environment and Parks Ministry	1
Public Lands	1
Health	3
Alberta Aids to Daily Living	2
Protection for Persons in Care	3
Community and Social Services	
Appeals Secretariat	10
Assured Income for the Severely Handicapped	5
Edmonton South Alberta Works Centre	2
Children's Services	
Alberta Child and Family Services Authority	2
Calgary and Area Child and Family Services	2
Edmonton and Area Child and Family Services	2
Justice and Solicitor General	3
Community Corrections and Release Program Branch	1
Correctional Services	5
Edmonton Remand Centre	6
Maintenance Enforcement Program	5
Service Alberta	3

Total: **107**

Frequently Asked Questions

What does the Ombudsman do?

The Ombudsman responds to complaints of unfair treatment by Alberta provincial government authorities and designated professional organizations. Our office assesses the fairness of administrative decisions which affect the rights, privileges or interests of individual Albertans. We look at decisions to determine if administrative unfairness occurred.

Ombudsman investigations are independent and impartial. Ombudsman investigators gather evidence through research, documentation and interviews to evaluate whether legislation, regulation, policy and protocol have been followed in making decisions. Investigations are conducted considering eight principles of administrative fairness as guidelines:

- Chain of legislative authority
- Duty of fairness
- Participation rights
- Adequate reasons
- Apprehension of bias
- Legitimate expectation
- Exercise of discretionary power
- Reasonableness of the decision

The Ombudsman is a complaint mechanism of last resort. It is an individual's responsibility to try to resolve the issue before involving the Ombudsman. Many Alberta government departments, boards, agencies, commissions and professional organizations have internal review or appeal processes available to resolve complaints.

The Ombudsman cannot become involved until all legislated rights of review or appeals have been exercised by the individual who has a complaint, or until the time limits for exercising those rights have expired. If an individual has completed all available reviews or appeals and remains dissatisfied with either the fairness of the process or the outcome, the individual is encouraged to write to the Ombudsman.

Who can make a complaint?

Anyone who feels they have been treated unfairly by a decision of a provincial government department or a professional organization can contact the Ombudsman. We will determine if the complaint is an issue the Ombudsman can investigate. If it is not, we will try to provide referral information.

What can I complain about?

Under the *Ombudsman Act*, the Ombudsman can investigate complaints about:

- Provincial government departments
- Provincial agencies, boards and commissions which are directly or indirectly responsible to the Alberta government
- The patient concerns resolution process of Alberta Health Services
- Designated professions (including accounting, veterinary, agrology and forestry)
- Health professions proclaimed under the *Health Professions Act*

Is there anything I cannot complain about?

The Ombudsman cannot investigate complaints about:

- Members of the Legislative Assembly or Ministers
- Other offices of the Legislative Assembly
- Alberta Health Services not related to the patient concerns resolution process
- Courts of law or the judiciary
- Crown Counsel, lawyers acting on behalf of the Crown, or lawyers in private practice
- Contracted or delegated services (including but not limited to foster parents, highway maintenance or registry agents)
- Departments of other provincial governments or the Government of Canada
- Municipalities, including school boards (this will change when amendments to the *Municipal Government Act* are finalized)
- Police, including municipal police forces and the Royal Canadian Mounted Police
- Private matters (including but not limited to banking, insurance, landlord/tenant issues, credit cards, real estate, utilities)
- Post-secondary institutions (e.g., universities, colleges or technical schools)
- School boards

Do all complaints get investigated?

No, for a variety of reasons. All complaints are first analyzed to determine if the Ombudsman has jurisdiction under the *Ombudsman Act* to investigate.

- If our office does not have jurisdiction, we will make every effort to refer you to other services
- If a review or appeal is still available to you, we will provide you with information about next potential steps
- If you did not exercise your right to an available review or appeal, and the time to do so has expired, the Ombudsman may consider your complaint and use discretion to decide whether to investigate

Can the Ombudsman refuse to investigate a complaint?

Yes, in certain circumstances. The Ombudsman has the discretion to refuse to investigate a complaint if:

- the complaint is more than 12 months old
- an avenue of review or appeal is still available
- the circumstances of the case do not warrant an investigation

Do I need to make my complaint in writing?

Yes. The *Ombudsman Act* requires complaints be made in writing in order to be considered for investigation. You can write a letter and send it by mail or fax, by email at info@ombudsman.ab.ca or use our secure online complaint form located on our website at www.ombudsman.ab.ca.

What do I need to include in my complaint?

We need enough information to determine if we can investigate your complaint of unfairness, so you should include:

- your full name and contact information (e.g., address, email, telephone) so we can reach you
- the name of the authority you are complaining about
- a summary of the complaint, including why you think you have been treated unfairly
- information about any person within the authority you have been in contact with (e.g., an employee, supervisor or manager)
- information about any review or appeal which has occurred and the outcome
- copies of relevant documents, such as decisions or letters

Can someone else submit the complaint on my behalf?

Yes. You will need to provide our office with signed consent for another person to represent you.

Is there a cost to make a complaint?

No. The services of the Ombudsman are free.

What happens to the information I provide to the Ombudsman?

Your letter of complaint will be shared with the authority. This is so the authority can respond to the complaint of unfairness. The information provided to the authority cannot be used in any way that would negatively affect you.

Information contained in Ombudsman records cannot be used in any other proceedings, including before a tribunal, board or a court. Ombudsman records cannot be disclosed outside our office, even if an application is made under the *Freedom of Information and Protection of Privacy Act*.

Can I get a copy of the information the authority provides to the Ombudsman?

No. The *Ombudsman Act* states every investigation the Ombudsman does is conducted in private. Our established procedure is to share a copy of the complaint letter with the authority complained about, to read the complainant's words, and then respond to the complaint. That is the only time other party documentation is shared.

If I take an issue to court, can the Ombudsman still investigate?

The Ombudsman does not have the ability to investigate any order, decision or omission of a court. After a legal proceeding has concluded, we may be able to look at aspects of administrative fairness not dealt with by the court.

How long does it take to complete an investigation?

We have made the timely completion of investigations a priority. Most investigations are completed within 6 to 12 months. However, the length of time to complete an investigation can vary based on the complexity of the issue(s) investigated.

Will I know the results of the investigation?

Yes. Even if the Ombudsman does not support the complaint, an investigator reviews the findings with the complainant. The Ombudsman writes each complainant advising of the outcome of the investigation. Each individual has the assurance that an independent and impartial investigation has occurred.

Can I get a copy of the investigation report and the correspondence to the authority?

No. An investigation report is an internal document prepared by an Ombudsman investigator. It contains information obtained from many parties under the powers of the Act. The power to compel information under the Act is balanced by the requirement to keep it private and those providing information do so with the understanding it will not be disclosed or released to any other party.



What is your rate of success? Do all complaints get resolved?

Our office does not measure success on the outcomes of individual investigations in a quantifiable way. Ombudsman investigations are about ensuring administrative fairness. Our investigations are a review of last resort, and not a means by which the complainant and authority debate issues and the Ombudsman decides who “won.”



If the Ombudsman supports the complaint, what power does the Ombudsman have?

The Ombudsman has the power to recommend corrective actions to the department or professional organization to right the wrong. In most cases, the recommendations are accepted and implemented.

On the rare occasion when action is taken that does not seem to be adequate or appropriate, the Ombudsman can take the recommendations to the Minister. If the issue is unresolved at the Ministerial level, the Ombudsman has the power to present it to the Lieutenant Governor in Council and ultimately to the Legislative Assembly of Alberta.

The Ombudsman may also make a public report on any matter he or she considers to be in the public interest.



Who investigates the Ombudsman?

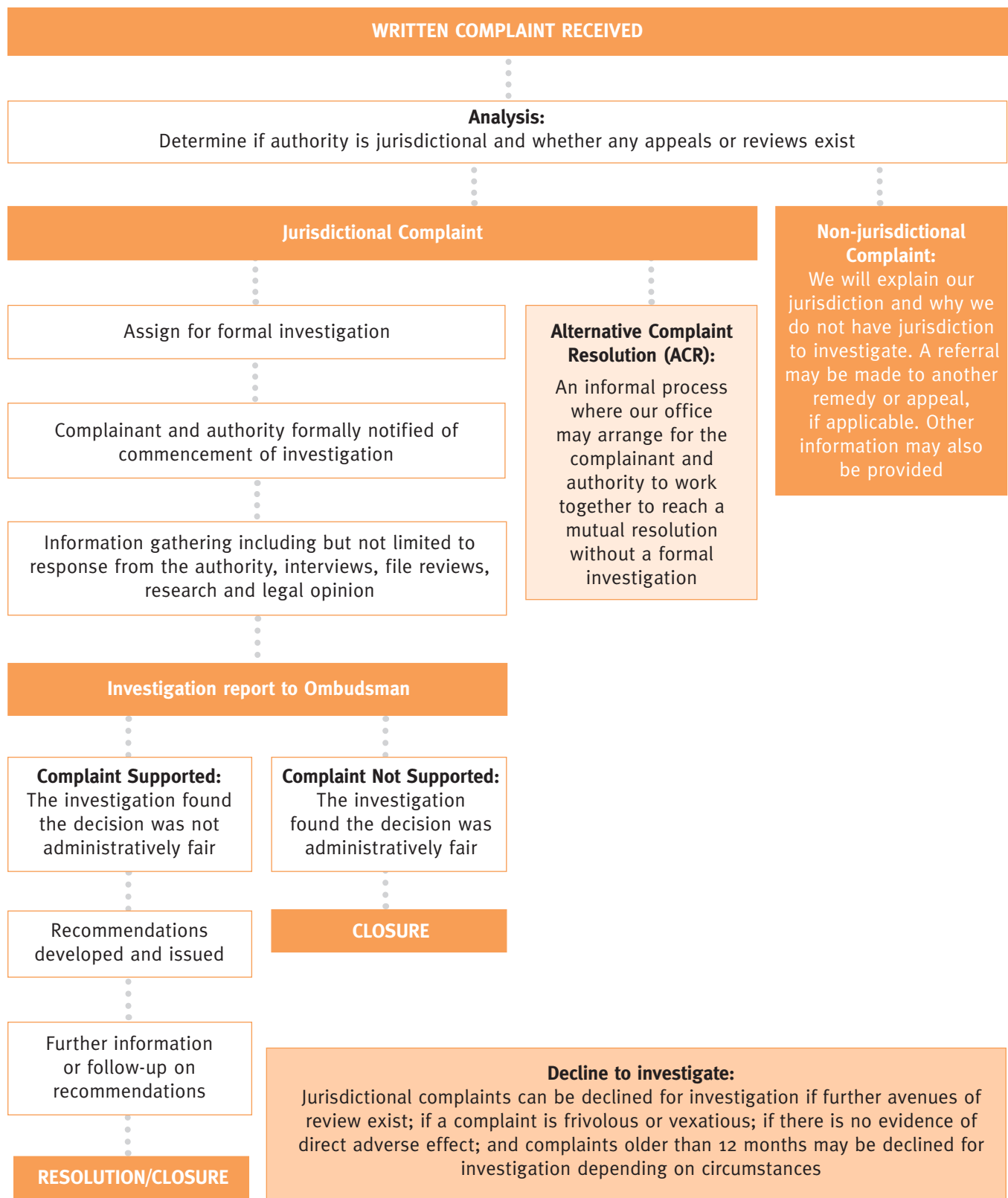
The office of the Ombudsman is a last resort for a review of an administrative decision. Section 24 of the *Ombudsman Act* states the outcome of an investigation by the Alberta Ombudsman is not subject to further review or challenge. No further avenues of appeal are available.



If the Ombudsman is funded by the Government of Alberta, how can he or she be impartial?

The Ombudsman reports directly to the Legislative Assembly. The Ombudsman operates independently from any part of the Alberta government and is not influenced by individual elected officials, such as a Minister or a Member of the Legislative Assembly.

What happens after I make a complaint?



Strategic Plan Update

This strategic business plan is our ongoing roadmap to ensure we deliver on the goals we have set. It focuses on ensuring timely and effective delivery of services, the efficient use of resources and meeting key performance measurements.

Our primary function is investigating individual complaints of unfair treatment of people by provincial government departments, agencies, boards, commissions, professional colleges and other entities under our jurisdiction. Our priority to provide an excellent service encompasses our ability to have professional staff deliver services to Albertans in the manner they expect and deserve.

Our awareness and outreach efforts continue with our priority to enhance an understanding of the Alberta Ombudsman. We seek to ensure the various jurisdictional government authorities are knowledgeable about the Ombudsman through our goal of ensuring administrative fairness.

Anticipated changes to the *Municipal Government Act* which will expand the jurisdiction of the Alberta Ombudsman to include municipal jurisdiction has become the focus of our attention; however, the *Ombudsman Act* is approaching 50 years of age and remains a priority for updating.

Building on our experience as the first parliamentary Ombudsman in North America, while ensuring we continue to innovate, the office of the Alberta Ombudsman will remain relevant and deliver a service responsive to today's issues and challenges.

Desired Outcome One: Ensure Administrative Fairness

- Goals:**
- Increased government focus on administrative fairness in decision-making and timely implementation of recommendations
 - Increased information flow to government authorities concerning Ombudsman investigations
 - Increased education and awareness for front-line service workers within government

- Results:**
- The Ombudsman and Deputy Ombudsman held eight meetings with deputy ministers, authority heads, and MLA constituency offices
 - In 2016-17, four issues of the quarterly reports were issued to government authorities
 - Three educational seminars were provided to the public sector on the scope of administrative fairness

- 81% of Ombudsman recommendations were accepted within 90 days of our office making the recommendation to the authority; since policy recommendations require additional time and resources, our office does not include these within key performance measurements

Looking ahead: In the upcoming year, the Ombudsman will continue to work with authorities within our jurisdiction to ensure decisions are fair and any recommendations made by our office are implemented in a timely fashion. The office expects this goal will be expanded and enhanced in the upcoming year with the proposed changes to the *Municipal Government Act*. This will be a time of growth and learning for both this office and municipalities; as a result we are planning an increase in information meetings and educational sessions.

Desired Outcome Two: Enhance Understanding of the Alberta Ombudsman

- Goals:**
- Increased public awareness of the role of the Alberta Ombudsman
 - Increased availability to the services of the office of the Alberta Ombudsman

- Results:**
- Our staff, including the Ombudsman, made 23 presentations to a variety of different groups including ongoing outreach through the School at the Legislature program
 - We conducted six tours to various parts of the province this reporting year, all of which included a mobile intake component
 - We finalized our plan for celebrating our 50th Anniversary in 2017

Looking ahead: We expect the proposed amendments to the *Municipal Government Act* will require an increase in the amount of public awareness and educational efforts during this time of transition. We will be preparing additional educational materials and strategies for communicating the changes to all Albertans. As we celebrate our 50th Anniversary, we said goodbye to Alberta's eighth Ombudsman, Peter Hourihan.

Desired Outcome Three: Provide Excellent Service

- Goals:**
- Provide timely responses to inquiries
 - Complete thorough, timely and accurate investigations
 - Ensure personnel have the proper tools to deliver effective services

- Results:**
- We continue to focus on our key performance indicators and benchmarks to ensure investigations are conducted and concluded thoroughly and in a timely fashion
 - The own motion team concluded three systemic investigations and opened one new systemic investigation
 - The case management system has been fully implemented, and enhancements to the system have been identified in our continued efforts to identify opportunities for improvement

Looking ahead: Over the coming year, we will be continuing reviews of our investigative processes to ensure we are delivering the best possible service to Albertans and authorities under our jurisdiction. We have begun piloting a new process for earlier, more informal resolution of cases and expect we will continue to explore this as an option for dealing with the anticipated increase to our jurisdictional authority. We continue to research best practices for handling complaints and will be making internal adjustments to our processes as needed to meet our goals.

Desired Outcome Four: Support Continued Growth and Development of Best Practices

- Goals:**
- Ensure appropriate training and technology are available to staff
 - Ensure legislation, policies and practices reflect current environment and best practices

- Results:**
- Our management, investigative and administrative support staff continue to seek out training opportunities to enhance their knowledge base
 - The legislative review of the *Ombudsman Act* is complete; however, the planned amendments to the *Municipal Government Act* to grant the Alberta Ombudsman municipal jurisdiction have meant the Ombudsman's legal counsel's focus has been on analyzing the jurisdictional ramifications of the upcoming legislative changes

Looking ahead: Our case management system has been operational for two and a half years and options are being explored for updating it to improve performance for all staff. An assessment is underway of our current Corporate policies and practices with the aim of formalizing them in a document to be available to all staff. We will be continuing our review of the revisions to the *Municipal Government Act* to ensure we are ready to accept complaints about municipalities when the planned changes to our jurisdiction occur.

Case Summaries

The following case summaries are representative of the types of formal investigations initiated in our office this past year, and the subsequent outcomes and recommendations.

Case 1 Appeal Panel's handling of Income and Employment Supports appeal 'egregious' and 'alarming'

A client complained to us about the Income and Employment Supports Appeal Panel (the Panel), which upheld the decision of a director of the department of Human Services (the Department) to assess an overpayment in an amount exceeding \$12,000.

The Department reported the client was approved in 2009 for Income Support benefits due to her ongoing application for refugee status. The Department stated it provided the client with an interpreter at the time of her application, and explained to her she must report any developments regarding her refugee status and her application for a work permit. The Department argued the application form had been signed, acknowledging this requirement. In 2013 the Department received information from Canada Immigration and Customs that confirmed the client's refugee application was denied in 2011. The Department determined this rendered her ineligible for benefits from 2011 to 2013 and an overpayment was assessed.

The client, employed as a kitchen worker, explained she could not afford the repayment. Moreover, she argued she had provided employment updates to the Department as required. English was not her first language and she struggled with comprehension during discussions with Department staff.

Our investigation determined the Panel made a decision in favour of the Department even though the Department lacked evidence to support its position and failed to follow internal policy while managing the file. Further, an internal investigation report completed by Department staff before the appeal stated the application form had not been signed by the client or an interpreter, and there was no evidence to suggest she had been advised of her responsibility to report changes to her refugee status. This report also stated there was a complete failure in due diligence and the Department would not be able to hold the client responsible in a court of law.

Even with the findings of the report, the Department went before the Panel with incomplete file information, left out information which revealed its administrative errors and made unsubstantiated statements. Our investigation determined the actions, omissions and errors of the Department to be egregious, and the Deputy Minister was informed of our findings. The Deputy Minister advised policies are in place to ensure fair

and transparent processes for clients, as is an expectation for staff to adhere to policies. Ongoing training initiatives were put in place to ensure overall fairness in the application and appeal process for clients.

Our office also recommended the Panel grant the client a rehearing, as its decision was based on inaccurate and incomplete information. Even after sharing the results of our investigation with the Panel, which showed its conclusions were based on inaccurate and misinformation, the Panel disagreed and initially refused to grant a rehearing. We questioned how the Panel could come to a conclusion in favour of the Department without supporting evidence. We noted government policy requires the Department to provide all relevant documents to the Panel and if there is any missing information, the Panel may request the information, which was not done in this case. The client has since been granted a rehearing of her appeal.

Our findings and the subsequent response of the Panel were alarming and disappointing. We remain hopeful the findings of our investigation will have a positive impact on the process and decisions made by the Department and Panel in the future.

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Case 2 Disaster Recovery Program agrees to publish review and appeal process

A landowner complained about the Disaster Recovery Program (DRP) response to his application for assistance for flood damage to his hobby farm.

Our investigation focused on the response by the Alberta Emergency Management Agency (AEMA) towards the landowner's Application for Review. It was determined the response was fair as the decision was made in accordance with applicable legislation and guidelines. The response provided adequate reasons; rationally connected the evidence considered and the conclusions reached; and provided information on the right to appeal and how to file an appeal.

Our investigation uncovered an issue regarding the review and appeal process established by the department of Municipal Affairs (the Department). In the event of a widespread disaster, the legislation allows the Minister to approve a DRP, including terms and conditions for providing compensation. However, details regarding the review and appeal process were not in legislation or Department guidelines.

We recommended the Department set out the review and appeal process in guidelines, which would ensure members of the public can access this information. The Department agreed to implement the recommendation in the next version of the Alberta Disaster Assistance Guidelines.

Case 3 **Condescension, personal opinions found in Assured Income for the Severely Handicapped Appeal Panel decision**

A client complained the Assured Income for the Severely Handicapped Appeal Panel (the Panel) failed to consider all supporting medical information and made comments about his appearance in the hearing which were inaccurate.

Our investigation found the Panel failed to demonstrate how the decision was reasonable as there was no connection between the evidence it relied upon and conclusions reached. The decision included a section, which provided 'reasons for decision'; however, statements contained in the section did not explain how the Panel considered the information and why it was accepted or rejected. Certain statements made throughout the decision were irrelevant and at times, inaccurate.

The Panel is expected to provide a factual and objective review of the evidence in making its decision. Our investigation determined the decision was written subjectively and included opinions of members of the Panel. Instead of making evidence based statements, the decision was written in a manner which favoured the Department and resulted in a finding of an apprehension of bias.

Our investigation found the Panel also regularly referred to the appellant by his first name, resulting in a condescending tone and failure to provide an appropriate level of respect. The Panel accepted our recommendation for a re-hearing.

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Case 4 **Ombudsman review reveals inmate canteen items substantially marked-up**

A remanded inmate at a provincial correctional centre complained about the high cost of canteen items as he felt inmates were being overcharged. Inmates in remand cannot work or earn money to add to their accounts and cannot afford to pay elevated prices for items commonly purchased from the canteen like snacks, soap, or basic stationary items.

For the past 10 years, the canteen program has been managed by a private company and standard prices are set for all centres across the province. Per the contractual agreement, the company is responsible for ensuring pricing on the canteen list remains competitive. Items for the canteen are supposed to be priced by doing a comparative evaluation with large discount grocery retailers.

Items are assigned a price at or below the retailer average, then marked-up by 10 per cent. This additional charge is paid back to the centre and channeled into the Inmate Welfare Fund. This fund is then used to purchase items not covered by the province and benefits all inmates. Items purchased by the fund include newspapers, recreation equipment and bus tickets to help inmates return to their home upon release.

Our investigation determined the majority of canteen items were priced higher than they should have been, with a mark-up ranging from 11 per cent to 110 per cent above retail.

Our investigation found that while Justice and Solicitor General (the Department) has authority to conduct an internal audit of the provincial canteen list to ensure pricing remains competitive, it failed to do so. To address the problem, the Department committed to completing an audit and updating prices accordingly. It also committed to conducting regular audits throughout the year.

The Department committed to meet with the vendor to address discrepancies in supply and pricing, and ensure price lists are updated to reflect changes.

The Department's response to our recommendations promises to correct pricing now and in the future, and ensures it will work more effectively with the vendor on supply and pricing issues.

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Case 5 System changes to Maintenance Enforcement Program file resulted in cancellation of passport

A debtor living outside Alberta complained about a response received from the Complaint Review Process (CRP) of the Maintenance Enforcement Program (MEP).

The debtor contacted the CRP after his file, which he believed had been closed 10 years earlier, was transferred from manual to automatic mode, triggering a series of automatic enforcement activities, including monthly default penalties, federal government garnishee and a federal license denial (FLD) request.

Our investigation did not find any issue with the response following the CRP. However, administrative issues were found in the management of the debtor's file. In particular, MEP's submission of the FLD request was contrary to policy and to the *Family Orders and Agreements Enforcement Assistance Act*.

We recommended MEP communicate with the debtor to address any outstanding concerns and consider his request for compensation for money lost resulting from a trip cancelled at short notice when his passport was suspended. We recommended staff be reminded of the need to ensure FLDs are requested in a manner consistent with legislation and policy; for MEP to indicate what steps it will take when files which have been dormant for an extended period of time are then moved from manual to automatic mode; and ensure the debtor is informed why the file is being reactivated, the amount owed, what collection steps will be taken and what is needed to ensure payment.

MEP accepted and implemented all the Ombudsman's recommendations.

Case 6 Leaseholder not informed of important appeal rights

A leaseholder complained about the process used by the department of Environment and Parks (then known as the departments of Sustainable Resource Development (SRD) and Environment) to cancel a miscellaneous land lease and associated water license.

The leaseholder had submitted an application to SRD before the expiry of a 10-year land lease. He wanted it renewed so he could sell it. SRD reviewed the application, and both SRD (who issued the land lease) and Environment (who issued the associated water license) agreed the purpose of the lease (diversion for water hauling) was no longer supported, resulting in the land lease being cancelled along with the associated water license.

It took 14 months to advise the leaseholder of the decision, but by this time, the lease had expired. The leaseholder was verbally advised the lease would not be renewed based on non-utilization and incompatible land use. A letter was sent to the leaseholder by a manager who agreed to review how this application was processed and the decision to cancel the lease. The manager acknowledged lack of communication and delay, but supported the decision to cancel the license. The letter from the manager to the leaseholder did not cite the legislative authority under the *Public Lands Act* for cancelling the lease; nor was there an explanation why the purpose of the lease (diversion for water hauling) was not an acceptable land use. Further, the leaseholder was not advised of his right to appeal the decision to cancel the lease under section 211(c) of the *Public Lands Administration Regulation* to the Public Lands Appeal Board. This was a significant omission.

We recommended the department of Environment and Parks issue the leaseholder a new decision that ensured relevant legislation was cited, adequate reasons for the decision provided and appeal rights identified. Pursuant to section 21(1) of the *Ombudsman Act*, the new decision triggered new appeal rights for the complainant. During our investigation Environment and Parks updated its template decision letters to ensure decisions identify relevant legislation, provide adequate reasons and advise of appeal rights.

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Case 7 Inappropriate release of information in a child custody matter; failure to release full information during Ombudsman investigation

A parent complained that a child and family services worker with Human Services (the Department) released a report to the second parent at the time they were involved in a custody dispute. The second parent used the document in court, with the first parent learning about the document for the first time on the day of the court hearing. At the

same time, other workers in the Department had already collected information that contradicted the information given to the second parent and provided in court. The court decision resulted in considerable disruption to the first parent's family, and caused tens of thousands of dollars for legal costs and for a professional assessment of their fitness to parent. The Department acknowledged a fair release of information might have impacted the court decision, and alleviated disruptions and expenses experienced by the first parent. The Department apologized and offered compensation for some of the first parent's expenses.

This case was important because an understanding was reached between the Department and the Ombudsman on the release of information. Under the *Ombudsman Act*, the Ombudsman is entitled to full, unredacted access to Department files, meaning no information is blacked out in the documents our office reviews. The Department had concerns the unredacted release of information to the Ombudsman might compromise its ability to control information in a court setting. An arrangement has been made which guarantees the Ombudsman full access to information held by the Department and protects the security of the information.

Case 8 Ombudsman investigation results in process improvements for Alberta College of Optometrists

An individual complained the Complaint Review Committee (CRC) of the Alberta College of Optometrists (ACO) did not consider certain information and one of its conclusions was inaccurate in response to her complaint.

Our investigation found delays occurred early in the process when the ACO had doubts about the complainant's signature and intentions. We recommended the ACO should seek clarity in such circumstances, and the ACO agreed. It was also agreed when mediation failed, the ACO should have taken quicker action to dismiss or investigate the complaint. Finally, the ACO agreed when complaints are dismissed by the CRC, the individual should be referred to the Ombudsman. We noted ACO letterhead should be used for ACO business and suggestions to improve the wording of letters were provided.

The ACO stated the Ombudsman made "detailed, very helpful recommendations and observations" to improve its complaint handling process, even though the Ombudsman did not support the issues the complainant raised.

Case 9 Process enhancements for the patient concerns resolution process of Alberta Health Services

A Home Care patient complained about the patient concerns resolution process (PCRP) of Alberta Health Services (AHS), specifically a decision by the Patient Concerns Officer (PCO) to uphold a decision by Home Care to terminate services. Our initial investigation identified several issues we felt would be remedied by encouraging the parties to communicate with each other through Alternative Complaint Resolution (ACR), which both parties agreed to. One of the complaint issues was the PCO did not contact the patient during the review to allow the complainant to provide information about the complaint. Subsequently, the PCO did contact the patient on two occasions prior to issuing a second decision letter, which did not change the decision to terminate Home Care services.

We reopened our investigation after receiving a further complaint letter regarding the second decision letter from the PCO. We found the PCRP review of this patient's concerns did not identify and review the policy and procedure considered by Home Care services when terminating services. The patient's medical file was not reviewed, which was significant because the medical file contained documentation Home Care relied upon when deciding to terminate services. The PCO determined the patient did not qualify for self-managed care, but there was no information in the PCRP file to support that eligibility criteria for self-managed care was reviewed or properly applied to the complainant's circumstances.

On a general scale, we recommended the PCO speak to each patient/complainant in the course of a review to hear full details of the concern. If the PCO determines speaking to a complainant is not required, the reasons should be noted in their file. We recommended a review of a patient concern should identify relevant policy and standards of care and determine whether they were correctly applied to the circumstances of the concern. Health records or other documentation related to a concern should be reviewed as part of a fair process for managing complainants. Specific to this matter, we recommended the PCO write to the patient again to clearly set out AHS' authority for terminating Home Care services and ineligibility for self-managed care. We recommended the PCO review information in the medical file which was considered by Home Care services when deciding to terminate services, and advise the patient this was done and the result.

AHS accepted all four recommendations resulting from this investigation.

Out-of-Country Health Services Committee

Albertans seeking funding for out of country health services must have the services approved, by the Out-of-Country Health Services Committee (the Committee). If denied, the patient or their physician may request a review of this decision by the Out-of-Country Health Services Appeal Panel (the Appeal Panel). In 2009, our office completed an own motion investigation into decisions being made by both the Committee and the Appeal Panel. Details of our findings and recommendations can be found in our report, *Prescription for Fairness*, on the Ombudsman website. This report remains relevant today, as we continue to hold the Committee and Appeal Panel to the standard established by the report, as demonstrated in the case summary which follows.

In January 2014, we received a complaint from a family who, after exhausting available health services in Alberta for their child, were referred to the United States. The family's Alberta physician appropriately applied in advance for approval of the services and the application was deemed complete by the Committee on October 7, 2010. Services commenced on October 25, 2010; however, when the Committee met and approved the application in November, it was approved on a go forward basis only. The Committee then required a second application be submitted for the health services received prior to the Committee's meeting. We opened an investigation into the decision of the Committee to then deny the health services received for the period between the application completion date and the Committee meeting date.

Our investigation found the Committee's request for a second application for reimbursement was a misinterpretation of the *Out-of-Country Health Services Regulation* (the Regulation). We determined the Alberta physician met the requirements of the Regulation by submitting the application prior to treatment. We found the interpretation of application received date was shared by the Appeal Panel. Further, our office found there was no formal policy in place to address situations when a patient has already commenced treatment. We discovered the Committee's interpretation of the received date was in place for only a matter of months, having later been changed to be in line with our interpretation of the Regulation. This new interpretation remains in place today.

The Ombudsman made a recommendation to the Committee to review its decision to require the second application and consider if the previously granted funding approval

should also include the period of time between the application date and the Committee meeting date. The Committee advised the Ombudsman it would not accept the recommendation.

After many attempts to work with the Committee and in order to bring this case to resolution, the Ombudsman met with the Deputy Minister of Health in June 2016 to discuss the investigation findings and recommendation. During this meeting, the Ombudsman was advised of a potential impact on 729 additional files, at an estimated cost of between \$8-10 million, as a result of our recommendation. Considering the budget implications, the Ombudsman committed to reviewing the files identified by the Committee to ascertain the potential impact. Over a two day period, Ombudsman staff reviewed all files identified by the Committee and were able to confirm the circumstances of this patient to be unique, with no other files or budgetary impacts identified.

In early March 2017 the Ombudsman wrote the Minister of Health to outline the investigation findings and to express concern with the Committee's continued refusal to accept the recommendation.

In June 2017 the Acting Ombudsman received a letter from Alberta Health advising upon further review and discussion, Alberta Health agreed with the recommendation and asked the Committee to implement the recommendation of the Ombudsman. We anticipate providing an update to this feature case in our next Annual Report.

Investigation helps reduce financial barriers to review process

An Ombudsman own motion investigation led to changes by the Alberta Dental Association and College (ADAC) that will improve access to the organization’s complaint review process.

The Ombudsman’s investigation, launched in December 2015 with the results released to the public in October 2016, was triggered after receiving complaints from Albertans who were asked to pay a \$500 fee to request a review of the regulatory college’s decisions by its internal Complaint Review Committee (CRC).

Peter Hourihan, then-Ombudsman, acknowledged the ADAC council met subsequent to learning the findings of our investigation, and passed a motion to reduce the fee to \$200 and implement a process to allow complainants to request that the fee be waived. However, Hourihan noted the ADAC could have gone further.

“While regulatory colleges have the legal right to levy these fees, I would be much more satisfied had the ADAC removed the fee altogether,” he said in a statement issued to media. “It would be one thing to levy fees on members of the college – in this case dentists – as they can provide input into those decisions through their membership. It’s another thing when it involves the public. When a public body imposes a fee to request reviews of its decisions, the public interest is not served if those fees become a barrier to the review processes enshrined in law, particularly for low income individuals. Just because a public entity can level a fee doesn’t mean it always should.”

The Ombudsman’s investigation found evidence that since the ADAC raised its review fee to \$500 from \$100 in 2013, the college has seen a substantial reduction in the number of reviews it conducts.

The Ombudsman’s three recommendations specifically related to the ADAC, which have been accepted by the college, ask it to:

- Develop a guidance framework for consideration when waiving the assessment of the fee on a discretionary basis;
- Provide public information on its website regarding the fee structure; and
- Implement a process to periodically review the fees and fully document the rationale for the fee.

The Ombudsman's report provides a number of recommendations all regulatory colleges should consider, including asking the colleges to:

- Ensure fee structures are established in bylaws as required by legislation;
- Document and address the issues which are grounds for imposing a fee;
- Take into consideration not everyone can pay and the higher the fee, the more onerous it is for some Albertans; and
- Build into the fee structure discretion to waive a fee.

The investigation report has been provided to the departments of Health and Labour, given their legislative authority associated with regulatory colleges that charge fees to review decisions.

The Ombudsman may initiate an investigation on his or her own motion, as is the case in this investigation, when questions are raised about the administrative fairness of a program. Recommendations arising from these types of investigations are generally aimed at improving systemic issues.



Municipalities

When proclaimed in the near future, the updated *Municipal Government Act* will present the Ombudsman with one of the greatest challenges in its 50 year history – the responsibility to investigate complaints about municipal levels of government. Those local authorities include: cities, towns, counties and municipal districts, villages and summer villages.

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Alberta pioneered the Ombudsman concept in Canada when it established the first office in 1967, but lagged behind other provinces in extending jurisdiction to include municipalities. Seven other provincial or territorial Ombudsman offices have already been assigned this role with Saskatchewan and Ontario most recently assigned this responsibility. As our-next-door neighbour, Saskatchewan may provide the best example of what to expect. In 2016, Saskatchewan citizens, with roughly a quarter of the population of Alberta, registered 506 complaints against municipalities.

In anticipation of legislative proclamation, educating municipalities about the new relationship is the first priority. Ombudsman investigators have travelled with staff from Municipal Affairs to regional meetings to explain how we anticipate the Ombudsman will interact with the local authorities. We have attended meetings of various other municipal associations. Once proclamation occurs, our next priority will be educating the public.

With the new jurisdiction, the Ombudsman will be accepting complaints about the administrative actions of municipalities. This means actions of the employees of the local authorities. Employees can be defined as the Chief Administrative Officer (CAO) and the staff under the CAO. The actions of elected municipal councilors, mayors and reeves will be outside the jurisdiction of the Alberta Ombudsman, except in rare instances where they make administrative decisions.

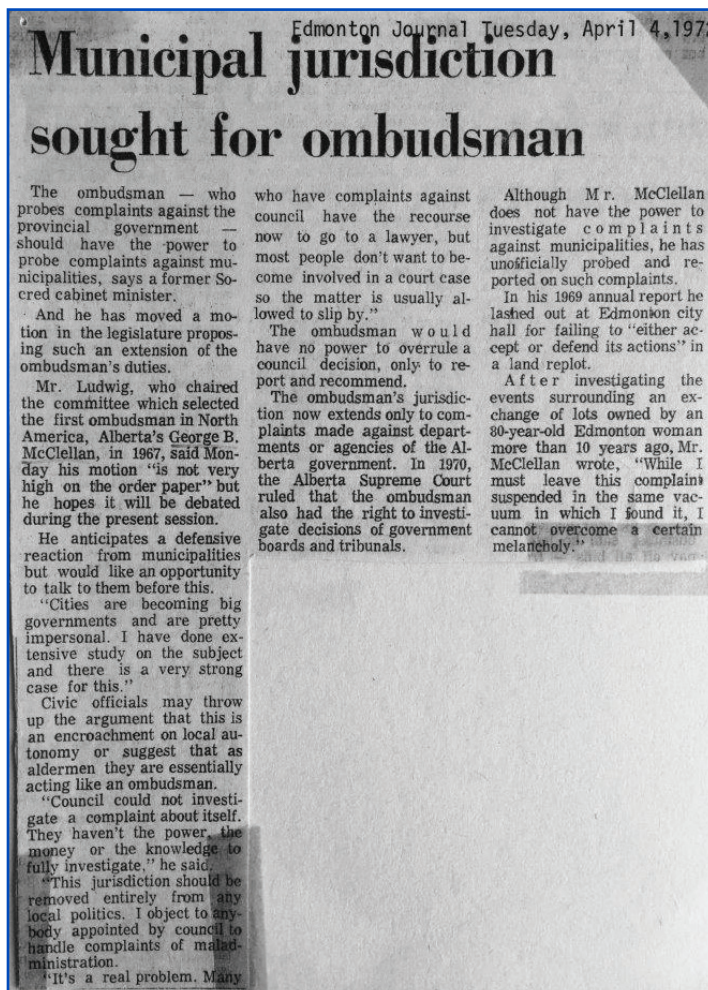
What will the complaints look like? Informally, the Ombudsman has kept track of complaints received against municipalities in the past 16 months, even though we don't yet have jurisdiction. The general areas of complaint are: governance; bylaw issues; subdivision/development; taxation/assessment; public transit; streets/roads; public utilities; infrastructure; and recreation and parks.

After proclamation, complaints received from the public will be triaged by Ombudsman investigators. Many complainants will be referred back to existing review processes within the municipality. Of those that remain, it is anticipated the majority can be resolved at a relatively informal level by contacting a responsible person within the municipality and

helping the contacted person work with the complainant to resolve the matter. Emphasis will be placed on resolving complaints collaboratively. This approach is being termed “early resolution”. The advantages of an early resolution process are timeliness and efficiency. Resolving a matter with a few phone calls or emails avoids delays and a formal, time-consuming investigation process.

Not every attempt at early resolution will succeed. Complicated complaints or complaints of a systemic nature will be more suitable for formal investigation. This will involve writing to the CAO and asking the CAO (or designate) to respond to the complaint in writing, attaching important documents, policies and legislation. The investigator has the authority of the Ombudsman to collect other relevant information, which could include interviews of municipal employees and viewing municipal files related to the complaint.

Following a formal investigation, the Ombudsman may make recommendations to the CAO. In the last 50 years, it is rare that an authority does not agree with an Ombudsman recommendation. However, if a local authority disagrees with a recommendation, the Ombudsman has the ability to approach the Minister of Municipal Affairs and ask the Minister to use the Ministerial authority under the *Municipal Government Act*. The Ombudsman also has the authority to issue a report to the Lieutenant Governor in Council (provincial Cabinet) or issue a public report.



While the Ombudsman did not ask for or lobby for this change, it is exciting at the staff level, and we are preparing for the upcoming new legislation. We have reviewed the existing philosophy of our office. We considered how we see our current role and reviewed how we will change to meet our new responsibilities.

Changes made to prepare for municipal jurisdiction will benefit our existing work. For example, a Wiki developed to help intake workers navigate through 348 new jurisdictions, will be a useful tool for new staff members when they take calls about our current role.

Fifty years in the making

Fifty years ago, the Alberta Legislature established the first parliamentary Ombudsman in Canada with the passage of the *Ombudsman Act*; legislation that has a proven flexibility to serve the province of Alberta. The Alberta Ombudsman has evolved to keep up with a constantly changing government environment that serves a much larger population. On our 50th anniversary, it only seems fitting to reflect on this progress.



The Ombudsman initially focused on individual problems. Principles of fairness and the availability of mechanisms for review were not as developed in government as they are today. Often citizens could not find an avenue to follow when seeking reconsideration of a decision. At one time, the Ombudsman talked in terms of “cutting red tape” or finding ways to circumvent a “road block”. Issues were solved one-by-one.



After addressing similar problems over time, it became apparent that fair and more efficient decisions would result if consideration was given to what went wrong in the first place. While the Alberta Ombudsman was a leader in the development of this thinking, movement in this direction by all Ombudsman offices became inevitable. Standards in government were changing. Authorities dealing with the public increasingly recognized the need for putting review mechanisms in place. Courts increased the participation rights of citizens — allowing them input into decisions affecting them — and raised the

expectations for civil servants to provide reasons tied to legislation and policy. These are high standards when fully implemented. The more a decision affects someone and the more final it is, the higher the standard of decision-making. Our investigations moved to placing a greater emphasis on ensuring those standards were being met by authorities within our jurisdiction. To assist government authorities in recognizing and applying current standards, the Ombudsman developed a booklet called the “Administrative Fairness Guidebook”, available on our website.

Ombudsman investigations remain driven by complainants seeking redress for their concerns. Complaints still end with resolution, satisfying complainants in whole or in part. Additionally, recommendations made to authorities are aimed at improving decision-making processes, hopefully avoiding future complaints. Examples of this type of recommendation include: putting information about review processes in decision letters and on websites; attaching relevant policies to decisions so applicants can see their treatment is consistent and not arbitrary; using templates as a guide when writing letters or decisions to ensure elements of a fair decision are included; setting fair timelines; or adjusting policies to match how programs are being applied.

The Alberta Ombudsman's next 50 years will begin with a bang; a huge increase in responsibility when jurisdiction to investigate complaints about municipal levels of government is proclaimed. In one way, this will bring the Ombudsman full circle. The anticipated increase in workload is expected to force a return to the original practice of resolving complaints one-by-one. However, the systemic lessons of the last 50 years will not be abandoned. Within the office, mechanisms are being put into place to keep track of systemic or repeat complaints. When patterns are recognized, they will result in formal investigation or even own motion investigations where the Ombudsman defines the issues and launches the investigation.



Outreach and Education

We believe in order to be effective, Albertans must know about the Ombudsman, what we do and when to call our office. Staff in our office take pride in being approachable. When people call during regular office hours to our toll free number, 1-888-455-2756, an actual person answers the phone. All calls are welcome, as are walk-ins to either our Edmonton or Calgary location. Albertans are not expected to know exactly whom we take complaints against and how to file a complaint. Part of our job is to help people through the process, explain our authority and point them in the right direction if we are not the right place to complain.

We try to get the word out there about our work and be accessible to Albertans in as many ways as we can. Our website, www.ombudsman.ab.ca is the most comprehensive source of information about our work. There you can find news about our office, links to many of the authorities we have jurisdiction over, FAQs, publications and perhaps most importantly, a link to file a complaint with the Ombudsman about unfair treatment.

We distribute posters, brochures and other printed material on request. We try to make sure this information is available in provincial correctional centres and provincial government offices. Anyone looking for our printed material can contact us and make a request. This includes our Administrative Fairness Guidelines, which we often refer to during presentations to communities and authorities.

Our office is open to invitations to engage with communities. Accepting speaking engagements and participating in events in Calgary and Edmonton is relatively easy, since there are offices in both cities, but we make our way to other cities and towns. Ombudsman staff attend events such as annual trade shows and information fairs, and the Ombudsman will often agree to requests to speak to an interested group. Requests for the Ombudsman to speak or staff to attend an event can be made by contacting our office.

Recognizing access to the Ombudsman is not as convenient for Albertans in rural areas, particularly the opportunity for face-to-face meetings, our office has mobile intake sessions in outlying cities and towns, which we often combine with opportunities for speaking engagements. In 2016-17, visits were made to Camrose, Drumheller, Whitecourt, Edson, Medicine Hat and Brooks. Advertisements were placed prior to the event,

inviting people to make appointments for one-on-one sessions with investigators. The Ombudsman of the time, Peter Hourihan, spoke at events such as Seniors Week in Edson and Whitecourt. The community visits typically result in news coverage in the local media, which increases awareness of our office — particularly to people who do not attend the scheduled events. If Albertans know we exist, they are more likely to pick up the phone or visit our website the next time they encounter a problem. Statistics consistently demonstrate a spike in complaints from communities after we have visited.

In Edson and Whitecourt, we reached 160 citizens, volunteers, support workers and local politicians. After hearing the Ombudsman talk, 15 people had informal talks with investigators and another 14 had discussions at a display table. While the numbers may not seem large, we consider every conversation an opportunity to expose people to our commitment to fairness.

Increasing emphasis in the last two years has been placed on reaching out to public servants. It might seem odd for us to promote the Ombudsman to public servants, as they might be the subject of a complaint, but there is an incentive for them to understand the work of our office and know when to refer unsatisfied clients to the Ombudsman. The Ombudsman works collaboratively with the public service to resolve complaints. If an authority cannot resolve an issue, having a fresh set of eyes can improve processes with wide impact and result in positive outcomes for everyone involved.

As part of our outreach efforts to public servants and other authorities, our staff offer workshops on how to write fair decisions and decision letters. Current standards for fairness are explained, as are the principles of fairness our investigators rely on when conducting an investigation. Topics include consistency, plain language and providing clear reasons in written decisions. One of the resources we provide is the Administrative Fairness Guidebook, which is available on the Ombudsman's website.

With our expanded jurisdiction to municipalities, our outreach efforts are expected to intensify. We anticipate we will be increasing the number of community presentations we deliver and we hope to see attendance at mobile intake appointments rise. In the past, many people have asked for appointments to speak to our staff to complain about issues with municipalities, only to be told we did not have the authority to investigate. Several meetings have been held with municipal officials and more are planned for the near future. The goal, as always, will be to work collaboratively to resolve issues for the good of all Albertans and to improve decision-making processes into the future. Stay tuned to see if we are coming to your community or a community near you in upcoming months.

Financial Statements

Office of the Ombudsman

Year Ended March 31, 2017



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To the Members of the Legislative Assembly

Report on the Financial Statements

I have audited the accompanying financial statements of the Office of the Ombudsman, which comprise the statement of financial position as at March 31, 2017, and the statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Office of the Ombudsman as at March 31, 2017, and the results of its operations, its remeasurement gains and losses, its changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher FCPA, FCA]

Auditor General
July 12, 2017
Edmonton, Alberta

**STATEMENT OF
OPERATIONS**
Year ended
March 31, 2017

	2017		2016
	Budget	Actual	Actual
Revenues			
Fellowship Agreement	\$ —	\$ 6,346	\$ 10,000
Prior Year Expenditure Refunds	—	3,307	2,122
	—	9,653	12,122
Expenses - Directly Incurred (Notes 3(b), 4 and Schedule 2)			
Salaries, Wages, and Employee Benefits	3,175,000	3,097,778	2,870,580
Supplies and Services	460,000	358,094	364,984
Amortization of Tangible Capital Assets	20,000	19,819	35,851
	3,655,000	3,475,691	3,271,415
Less: Recovery from Support Service Arrangements with Related Parties	(307,000)	(351,291)	(239,556)
	3,348,000	3,124,400	3,031,859
Net Cost of Operations	\$(3,348,000)	\$(3,114,747)	\$(3,019,737)

The accompanying notes and schedules are part of these financial statements.

**STATEMENT
OF FINANCIAL
POSITION**
As at
March 31, 2017

	2017	2016
Liabilities		
Accounts Payable and Accrued Liabilities	\$ 107,485	\$ 91,729
Accrued Vacation Pay	256,209	268,043
	363,694	359,772
Net Debt	(363,694)	(359,772)
Non-Financial Assets		
Tangible Capital Assets (Note 5)	51,762	31,775
Prepaid Expenses	8,636	9,978
	60,398	41,753
Net Liabilities	\$ (303,296)	\$ (318,019)
Net Liabilities at Beginning of Year	\$ (318,019)	\$ (255,363)
Net Cost of Operations	(3,114,747)	(3,019,737)
Net Financing Provided from General Revenues	3,129,470	2,957,081
Net Liabilities at End of Year	\$ (303,296)	\$ (318,019)

The accompanying notes and schedules are part of these financial statements.

**STATEMENT OF
CHANGE IN
NET DEBT
Year ended
March 31, 2017**

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	2017		2016
	Budget	Actual	Actual
Net Cost of Operations	\$ (3,328,000)	\$ (3,114,747)	\$ (3,019,737)
Acquisition of Tangible Capital Assets	—	(39,806)	(12,000)
Amortization of Tangible Capital Assets (Note 5)	20,000	19,819	35,851
Changes in Prepaid Expenses		1,342	(1,244)
Net Financing Provided from General Revenue		3,129,470	2,957,081
Increase in Net Debt		\$ (3,922)	\$ (40,049)
Net Debt at Beginning of Year		(359,772)	(319,723)
Net Debt at End of Year		<u>\$ (363,694)</u>	<u>\$ (359,772)</u>

The accompanying notes and schedules are part of these financial statements.

**STATEMENT OF
CASH FLOWS**
Year ended
March 31, 2017

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	2017	2016
Operating Transactions		
Net Cost of Operations	\$ (3,114,747)	\$ (3,019,737)
Non-Cash Items included in Net Operating Results:		
Amortization of Tangible Capital Assets	19,819	35,851
Repayment of Advances	—	2,000
Decrease/(Increase) in Prepaid Expenses	1,342	(1,244)
Increase in Accounts Payable and Accrued Liabilities	3,922	38,049
Cash Applied to Operating Transactions	(3,089,664)	(2,945,081)
Capital Transactions		
Acquisition of Tangible Capital Assets	(39,806)	(12,000)
Cash Applied to Capital Transactions	(39,806)	(12,000)
Financing Transactions		
Net Financing Provided from General Revenues	3,129,470	2,957,081
Changes in Cash	—	—
Cash at Beginning of Year	—	—
Cash at End of Year	\$ —	\$ —

The accompanying notes and schedules are part of these financial statements.

**NOTES TO THE
FINANCIAL
STATEMENTS
Year ended
March 31, 2017**

NOTE 1 AUTHORITY

The Office of the Ombudsman (the Office) operates under the authority of the *Ombudsman Act*. The net cost of operations of the Office is borne by the General Revenue Fund of the Province of Alberta. The Office's annual operating and capital budgets are approved by the Standing Committee on Legislative Offices.

NOTE 2 PURPOSE

The Office promotes fairness in public administration within the Government of Alberta, designated professional organizations and the patient concerns resolution process of Alberta Health Services.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards, which use accrual accounting.

The Office has adopted PS3450 Financial Instruments. The adoption of this standard has no material impact on the financial statements of the Office, which is why there is no statement of re-measurement gains and losses.

Other pronouncements issued by the Public Sector Accounting Board that are not yet effective are not expected to have a material impact on future financial statements of the Office.

(a) Reporting Entity

The reporting entity is the Office of the Ombudsman, which is a legislative office for which the Alberta Ombudsman is responsible.

The Office operates within the General Revenue Fund (the Fund). The Fund is administered by the President of Treasury Board and Minister of Finance. All cash receipts of the Office are deposited into the Fund and all cash disbursements made by the Office are paid from the Fund. Net financing provided from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Expenses

Directly Incurred

Directly incurred expenses are those costs the Office has primary responsibility and accountability for, as reflected in the Office's budget documents.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets,
- pension costs, which are the cost of employer contributions for current service of employees during the year, and
- valuation adjustments which represents the change in management's estimate of future payments arising from obligations relating to vacation pay.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd)

(b) Basis of Financial Reporting (cont'd)

Expenses (cont'd)

Incurred by Others

Services contributed by other entities in support of the Office's operations are not recognized and are disclosed in Schedule 2.

Valuation of Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

Liabilities

Liabilities are present obligations of the Office to others arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits.

Non-Financial Assets

Non-Financial assets of the Office are limited to tangible capital assets and prepaid expenses.

Tangible capital assets are recorded at historical cost and are amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$250,000 and the threshold for major system enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

Amortization is only charged if the tangible capital asset is put into service.

(c) Net Debt

Net debt indicates additional cash required from the Fund to finance the Office's cost of operations to March 31, 2017.

NOTE 4 SUPPORT SERVICES ARRANGEMENTS

The Public Interest Disclosure (Whistleblower Protection) Act appoints the Ombudsman to also be the Public Interest Commissioner. The Office of the Public Interest Commissioner is a separate Legislative Office physically located with the Office of the Ombudsman.

The Offices of the Ombudsman and Public Interest Commissioner have a formal support services agreement for provision of shared services. The Office of the Ombudsman's employees provides services to the Office of the Public Interest Commissioner for:

- General Counsel
- Administration
- Corporate (Finance, HR, IT)
 - Director, Officer (effective April 1, 2016)
- Communications (effective April 1, 2016)

These employees' salaries and benefits expenses are allocated to the Office of the Public Interest Commissioner based on the percentage of time spent providing the services. This allocation is included in the voted operating estimates and statement of operations as a cost recovery for the Office of the Ombudsman and as a supplies and services expense for the Office of the Public Interest Commissioner.

**NOTES TO THE
FINANCIAL
STATEMENTS
Year ended
March 31, 2017**

NOTE 4 SUPPORT SERVICES ARRANGEMENTS (cont'd)

From June 10, 2013 to March 31, 2016, the Office of the Public Interest Commissioner provided corporate officer and communication services to the Office of the Ombudsman.

This arrangement was cumbersome as both Offices were providing and receiving shared services resulting in recoveries and expenses included in both Offices' voted operating expenses and statement of operations.

Effective April 1, 2016, the Office of the Public Interest Commissioner's corporate officer and communications positions were transferred to the Office of the Ombudsman to streamline the shared services process.

For 2016-17, the Office's cost recovery from the Office of the Public Interest Commissioner was \$351,291 (2016 - \$239,556) and the Office's supplies and services expense for services provided by the Office of the Public Interest Commissioner was \$0 (2016 - \$89,698).

NOTE 5 TANGIBLE CAPITAL ASSETS

		2017		
	Useful Life (yrs)	Cost	Accumulated Amortization	Net Book Value
Computer hardware and software	3	\$ 111,408	\$ 108,406	\$ 3,002
Office equipment and furnishings	5 or 10	71,531	22,771	48,760
		<u>\$ 182,939</u>	<u>\$ 131,177</u>	<u>\$ 51,762</u>
		2016		
	Useful Life (yrs)	Cost	Accumulated Amortization	Net Book Value
Computer hardware and software	3	\$ 122,276	\$ 102,401	\$ 19,875
Office equipment and furnishings	10	38,580	26,680	11,900
		<u>\$ 160,856</u>	<u>\$ 129,081</u>	<u>\$ 31,775</u>

In 2016-17, tangible capital asset additions were \$39,806 (2016 \$12,000) and disposals were \$17,723 (2016 \$0)

NOTE 6 DEFINED BENEFIT PLANS (IN THOUSANDS)

The Office participates in the multi-employer Management Employees Pension Plan and Public Service Pension Plan. The Office also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$376 for the year ended March 31, 2017 (2016 - \$346).

At December 31, 2016, the Management Employees Pension Plan had a surplus of \$402,033 (2015 surplus \$299,051), the Public Service Pension Plan had a surplus of \$302,975 (2015 deficit \$133,188) and the Supplementary Retirement Plan for Public Service Managers had a deficit of \$50,020 (2015 deficit \$16,305).

The Office also participates in the multi-employer Long Term Disability Income Continuance Plan. At March 31, 2017, the Management, Opted Out and Excluded Plan had a surplus of \$31,439 (2016 surplus \$29,246). The expense for this plan is limited to the employer's annual contributions for the year.

NOTE 7 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Ombudsman.

SCHEDULE 1
SALARY AND
BENEFITS
DISCLOSURE
Year ended
March 31, 2017

	2017			2016
	Base Salary	Other Cash Benefits ⁽¹⁾	Other Non-Cash Benefits ⁽²⁾⁽³⁾	Total
Senior Official ⁽⁴⁾⁽⁵⁾				
Ombudsman/Commissioner	\$259,908	\$51,418	\$21,869	\$333,195
Executive				
Deputy Ombudsman	\$164,692	\$ –	\$41,549	\$206,241

⁽¹⁾ Other cash benefits are pension-in-lieu payments and vacation payout.

⁽²⁾ Other non-cash benefits include the Office's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, CPP/EI, extended health care, dental coverage, group life insurance, and long-term disability plans.

⁽³⁾ Automobile provided; lease, insurance and operating costs of \$13,843 (2016-\$15,650) included in other non-cash benefits. The Ombudsman received a taxable benefit at December 31, 2016 of \$14,944 (2015-\$16,910).

⁽⁴⁾ The senior official functions as the Ombudsman and the Public Interest Commissioner and does not receive additional remuneration for the role of Public Interest Commissioner. This salary and benefits disclosure schedule represents 100% of the senior official's total salary and benefits received in 2016-17 and 2015-16.

⁽⁵⁾ Note 4 on the Notes to the Financial Statements provides information regarding allocation of shared services costs for financial statement presentation.

**SCHEDULE 2
ALLOCATED
COSTS
Year ended
March 31, 2017**

Program	2017			2016
	Expenses - Incurred by Others			
	Expenses ⁽¹⁾	Accommodation ⁽²⁾	Business ⁽³⁾	Total Expenses
Operations	\$3,124,400	\$298,466	\$10,932	\$3,433,798
				\$3,322,898

⁽¹⁾Expenses - directly incurred as per Statement of Operations.

⁽²⁾Accommodation expenses - allocated by the total square meters occupied by the Office.

⁽³⁾Business expenses - Service Alberta's costs for the Office's telephone lines and the Public Service Commissioner's costs to deliver training courses to employees of the Office of the Ombudsman.



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