



—ALBERTA—
OMBUDSMAN

2021-22
Annual Report





—ALBERTA—
OMBUDSMAN





To the Honourable Speaker
of the Legislative Assembly

The Alberta Ombudsman's office is pleased to present its 55th Annual Report to you and through you, to the Legislative Assembly.

The Report has been prepared in accordance with section 28(1) of the *Ombudsman Act* and covers the activities of the Alberta Ombudsman's office for the period April 1, 2021 through March 31, 2022.

Respectfully,

A handwritten signature in black ink, appearing to read 'Peter Sherstan', written over a light blue horizontal line.

Peter Sherstan
Alberta Ombudsman (Acting)

September, 2022
Edmonton, Alberta

I had already been dealing with my issue for nearly two and a half years prior to contacting your office and at that time there was no end in sight, so you truly were an option of last resort. Now that a solution has been put in place, I cannot put into words the gratefulness I have for the high level of professionalism [the investigator] provided me through your early resolution process.

Furthermore, I view what your office does as invaluable and hope others throughout Alberta continue to benefit from your services as well.

Vision

Equitable treatment for all

Mission

To provide oversight to ensure fair treatment through independent investigations, recommendations and education for all Albertans

Values

Integrity | Respect
Accountability | Independence

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Message from the Ombudsman

Welcome to our 2021-22 annual report. Health-related investigations featured prominently in my final year as Alberta Ombudsman. When COVID-19 themes dominated my annual message last year, like everyone else I hoped the pandemic would be fading into memory by the time I wrote this year's message. There are encouraging signs, but COVID-19 related matters remained an issue by fiscal year end. I will return to COVID-19 later in this report, after discussing other health-related investigations. Although health-related costs absorb a high percentage of the Alberta annual budget, statistically the health field generates comparatively fewer complaints to our office than other mainline government departments such as social services supports or corrections.

An investigation into the Out-of-Country Health Services field raised an important principle that applies across government. Departments cannot override decisions of quasi-judicial appeal panels established by statute, unless the legislation allows them to do so. In a case summarized on page 16, the final appeal panel approved an applicant's medical expenses. Department officials disagreed with the appeal panel and delayed payment of the expenses. I recommended the appeal panel's final decision be respected and the medical expenses paid.

Making recommendations is of little use if the government does not put them into action. In January 2022, I posted on our website a

memo by Alberta Health describing how it has implemented the recommendations in my 2019 own motion report. The story, *Transforming Mental Health Services*, looked at the review process for involuntarily committed mental health patients. On another follow-up note (see page 3), we provide a summary of actions taken by Alberta Correctional Services Division in response to an own motion investigation released in March 2021, titled *Youth in Segregation*. As the title suggests, it looks at the fairness of administrative processes leading to the use of segregation in young offender centres. The division satisfied me it is addressing the recommendations in a positive spirit and intends to put them into practice.

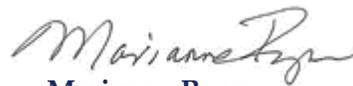
Returning to COVID-19, we completed an own motion investigation into the Government of Alberta's Emergency Isolation Support Program—a one-time payment benefit program established to compensate people forced to stay home due to restrictions. I concluded an effective program was put into place in a short time, but there are lessons to be learned on how to do it better.

A measure of the respect earned by the Alberta Ombudsman was demonstrated when two former employees of this office were hired as Ombudspersons elsewhere. I served as president of the Canadian Council of Parliamentary Ombudsman (CCPO) for 2021-22 and in that capacity had the pleasure of welcoming into the

fold Prince Edward Island's first Ombudsperson, Sandy Hermiston. Ms Hermiston was general counsel to the Alberta Ombudsman when I took office. Subsequently, she established an Ombudsman office in the Cayman Islands in 2017 and later accepted the same position in PEI, effective February 2022. In addition, a manager in my office, Kamini Bernard, left in the spring of 2021 to become the first Ombudsperson at the Southern Alberta Institute of Technology.

It is important that Alberta play a role in developing the Ombudsman institution nationally and internationally. Helping people receive the government benefits and services they are entitled to is fundamental to a functioning democracy. This year, my office contributed to the evolution of Ombudsman practice in several ways, including an online seminar at the International Ombudsman Institute, preparation of a podcast for the CCPO, and is now working with a national committee to create an advanced course for investigators.

Throughout the reporting year, COVID-19 continued to restrict my staff from fully occupying our office and taking advantage of the tools that a traditional working space can provide. Eventually, staff attended the office on a rotating basis. In spite of these challenges, complainants continued to receive excellent service. A summary of my five years as Alberta Ombudsman can be found on page 14. I will not repeat the thoughts I expressed there, other than confirm I am proud of the accomplishments of the office. My staff have been resourceful and dedicated throughout a challenging period. I thank them for their service and wish them and my successor the best for the coming years.



Marianne Ryan

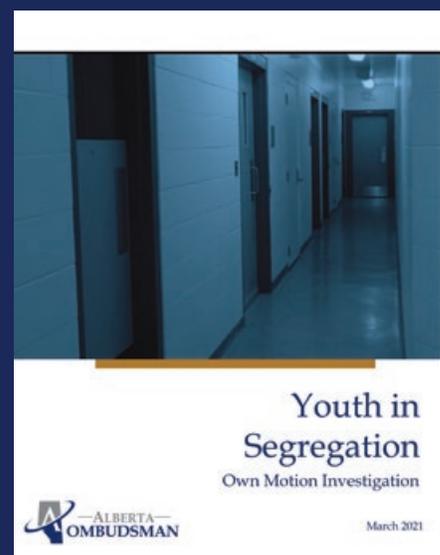
Alberta Ombudsman

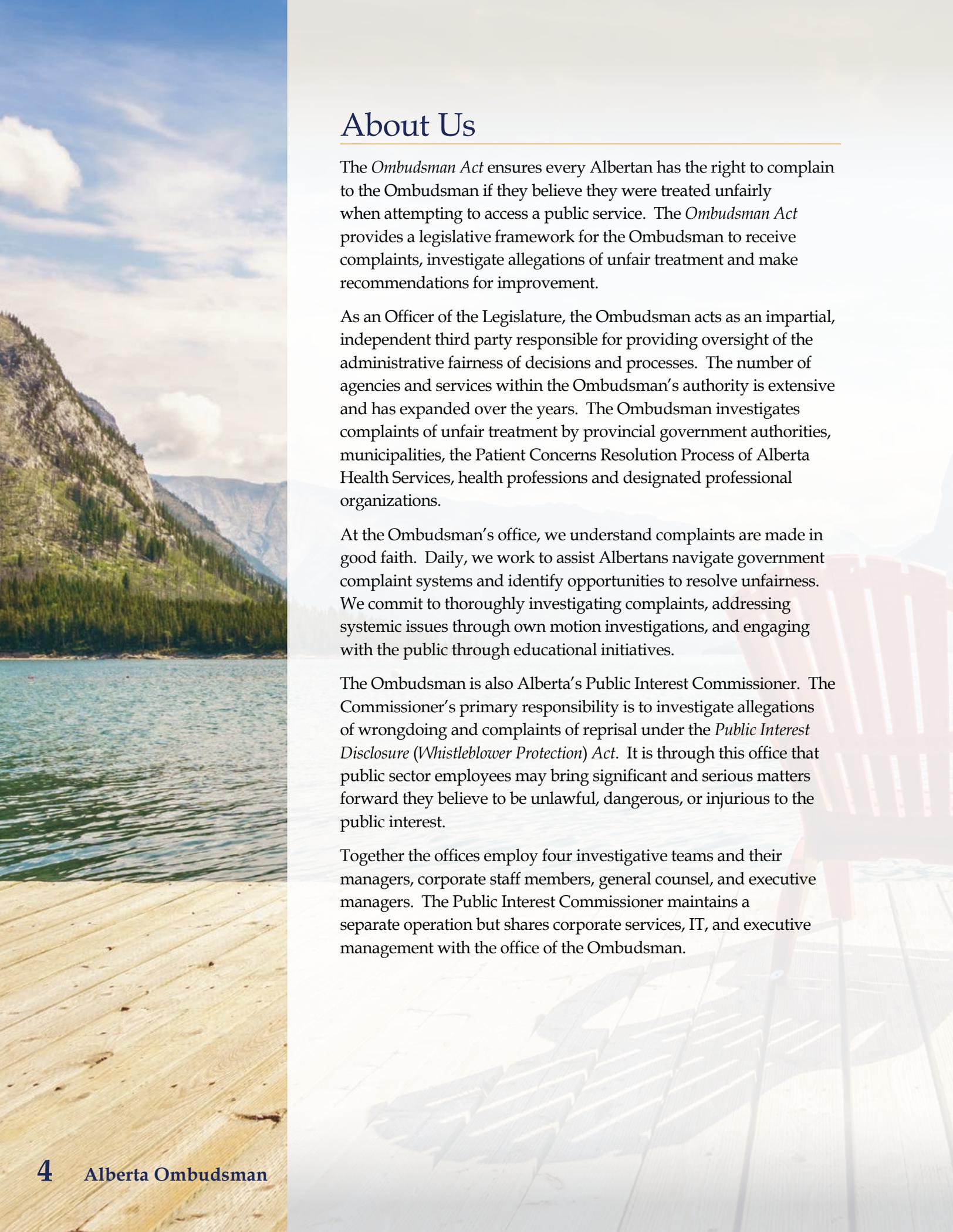
A Follow-up on Youth in Segregation Own Motion Report

In May 2022, Correctional Services delivered an update on how it is meeting the eight recommendations made by the Ombudsman in the 2021 *Youth in Segregation* own motion investigation.

Correctional Services, a division of the Ministry of Justice and Solicitor General, advised it established a group to evaluate and make suggestions for change. The group has identified short and long-term initiatives to address the Ombudsman's findings. Currently, the division reports all recommendations are at different stages of completion. The division has completed reviews of their processes, policy changes have been drafted, and a systemic review of behaviour management practices is ongoing.

When the own motion report was released, the Ombudsman committed to reporting on progress made in March 2022. While the work continues, the Ombudsman is satisfied by the division's response and commitment to fulfill the recommendations. Our office will continue to monitor the implementation of the recommendations and provide the public an update in a future annual report and on our website.



The background of the page is a scenic landscape photograph. On the left, a steep, forested mountain slope descends to a calm, blue-green lake. In the foreground, a wooden deck is visible, with the shadow of a wooden chair cast across it from the right. The sky is bright with scattered white clouds. The overall tone is peaceful and natural.

About Us

The *Ombudsman Act* ensures every Albertan has the right to complain to the Ombudsman if they believe they were treated unfairly when attempting to access a public service. The *Ombudsman Act* provides a legislative framework for the Ombudsman to receive complaints, investigate allegations of unfair treatment and make recommendations for improvement.

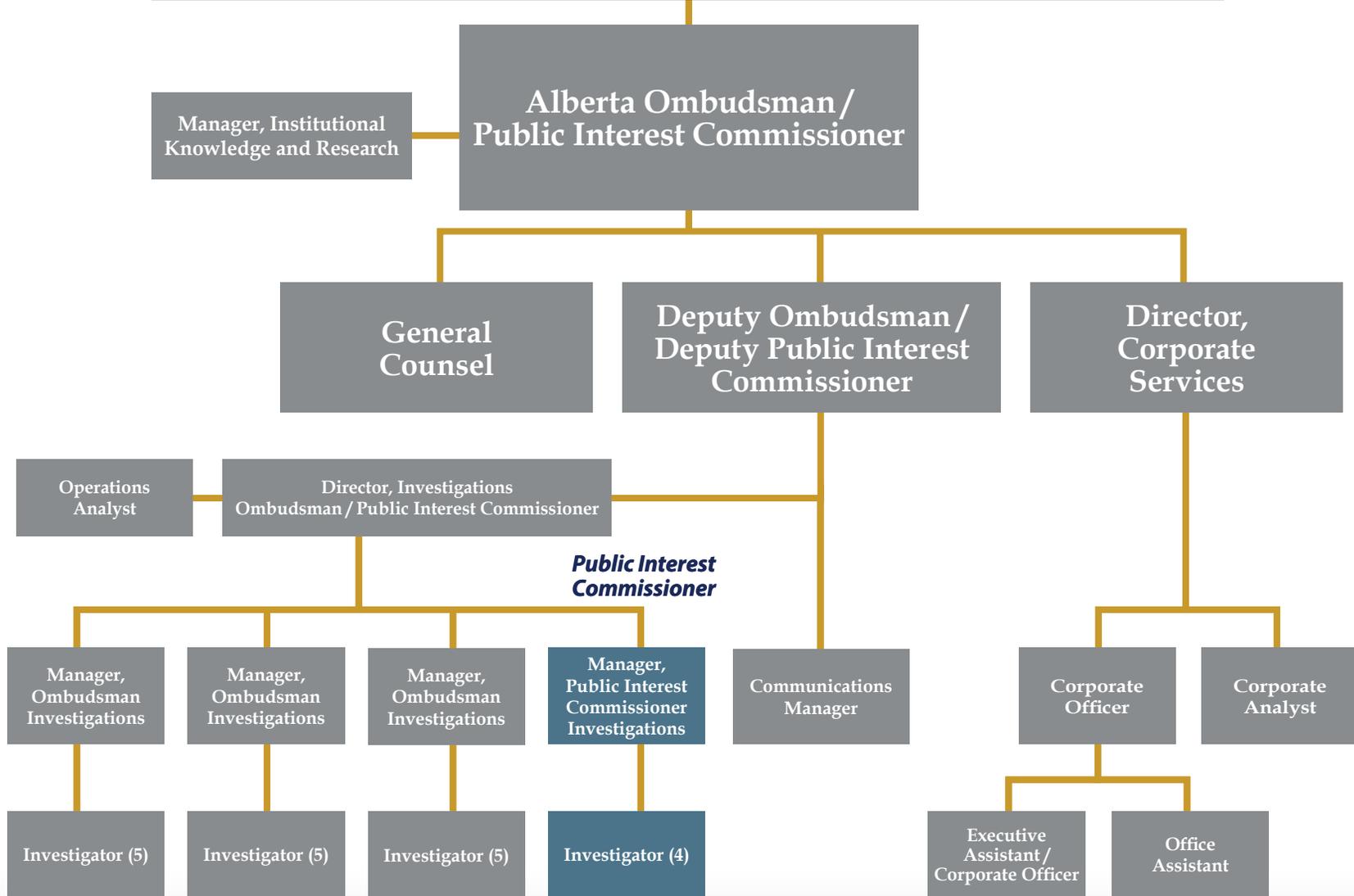
As an Officer of the Legislature, the Ombudsman acts as an impartial, independent third party responsible for providing oversight of the administrative fairness of decisions and processes. The number of agencies and services within the Ombudsman's authority is extensive and has expanded over the years. The Ombudsman investigates complaints of unfair treatment by provincial government authorities, municipalities, the Patient Concerns Resolution Process of Alberta Health Services, health professions and designated professional organizations.

At the Ombudsman's office, we understand complaints are made in good faith. Daily, we work to assist Albertans navigate government complaint systems and identify opportunities to resolve unfairness. We commit to thoroughly investigating complaints, addressing systemic issues through own motion investigations, and engaging with the public through educational initiatives.

The Ombudsman is also Alberta's Public Interest Commissioner. The Commissioner's primary responsibility is to investigate allegations of wrongdoing and complaints of reprisal under the *Public Interest Disclosure (Whistleblower Protection) Act*. It is through this office that public sector employees may bring significant and serious matters forward they believe to be unlawful, dangerous, or injurious to the public interest.

Together the offices employ four investigative teams and their managers, corporate staff members, general counsel, and executive managers. The Public Interest Commissioner maintains a separate operation but shares corporate services, IT, and executive management with the office of the Ombudsman.

Legislative Assembly of Alberta
Standing Committee on Legislative Offices



Our Complaint Handling Process

Whether there is unfairness caused by an administrative decision, trouble accessing a public service, a breakdown in communication, or a problem with policy, we can help complainants overcome barriers.



2021-22
Year at a Glance



Requests
for Assistance
3,009



Investigations
Commenced
1,653



4,662
Total Cases
Received



up 3% over last year

Top Five Entities per Jurisdictional Sector

In 2021-22, written complaints about provincial government agencies, boards, commissions, and departments comprised 75% of the total jurisdictional complaints received. Municipalities came in with 19% of the total jurisdictional written complaints received, followed by complaints about professional colleges at 6%.

On this page, we illustrate the top five entities having the leading volume of written complaints per jurisdictional sector.



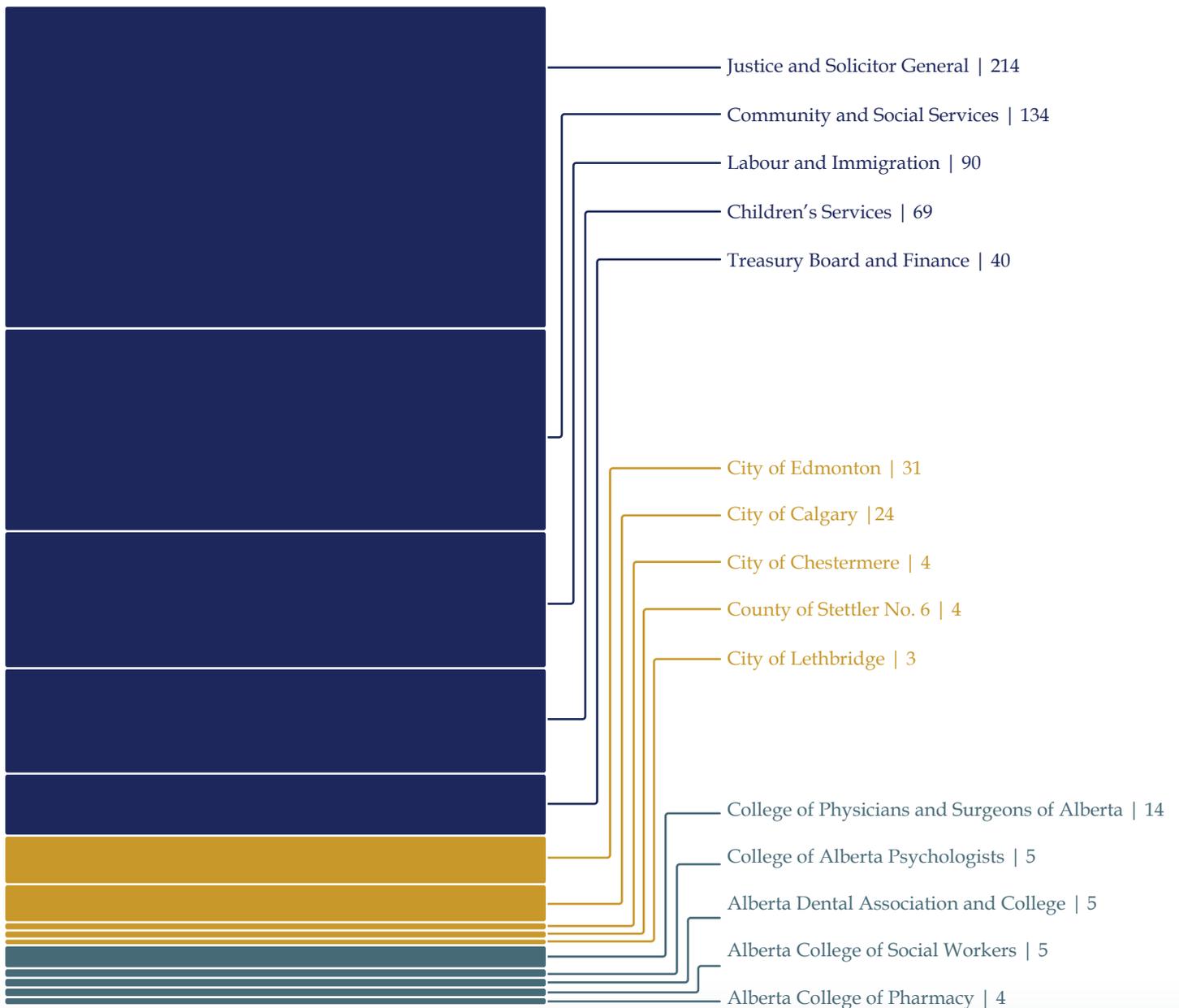
Provincial Government



Municipalities

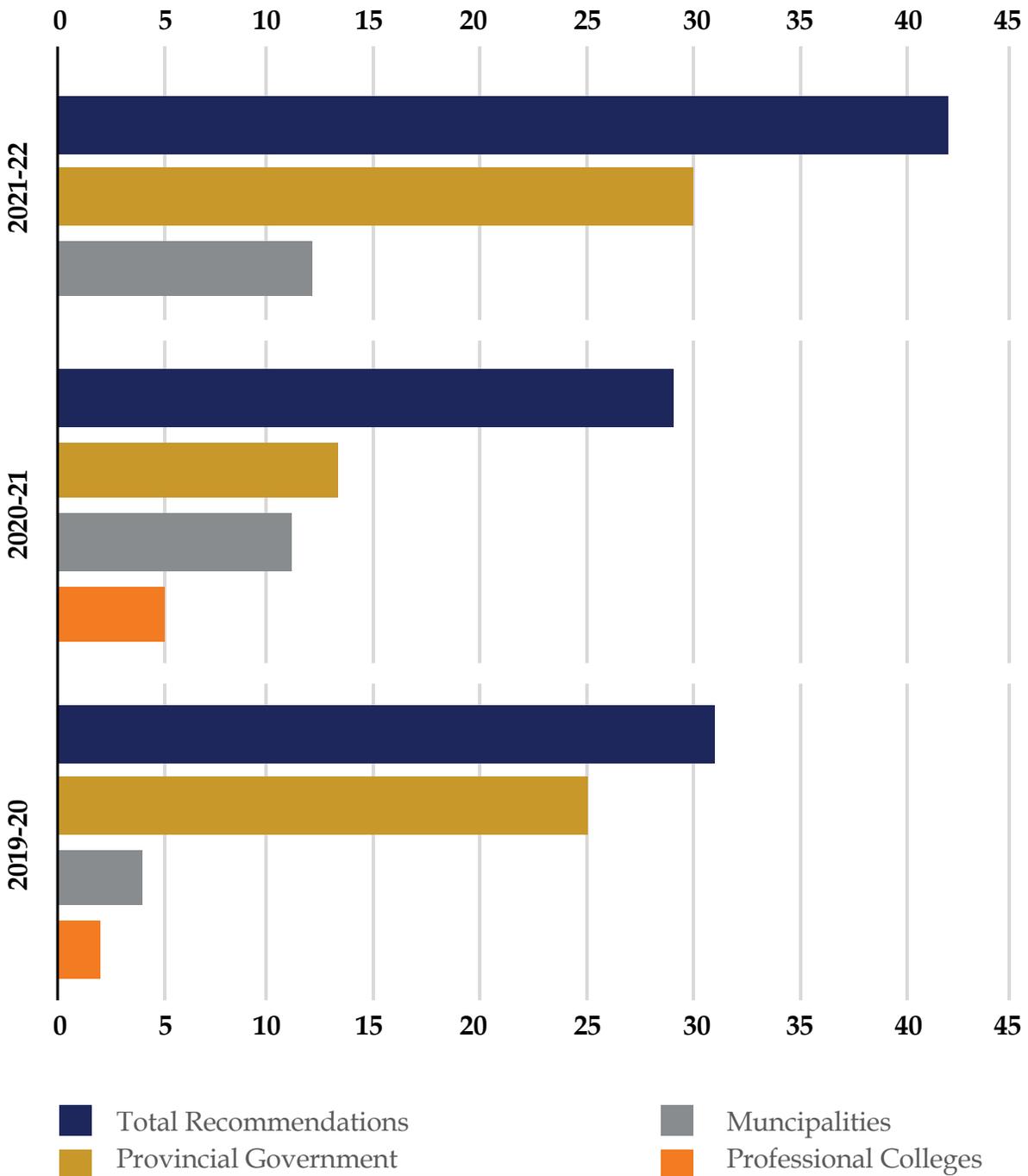


Professional Organizations



Full investigations are necessary when the issue is complex, systemic in nature, or if all attempts at early resolution have failed. The Ombudsman has the authority to make recommendations if an investigation finds unfairness in the decision or action of an authority. Overall, in 2021-22 there was a 45% increase in the number of recommendations our office made from 2020-21. Many of the cases we discuss later in this report are embedded in these results, including recommendations made in the Emergency Isolation Support Program own motion discussed on page 18.

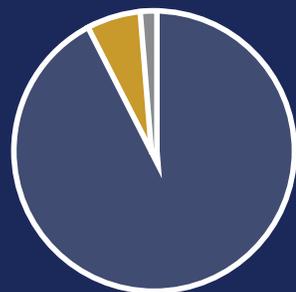
Three-Year Comparison of Recommendations Made



Three-Year Comparison of Time Taken to Close Written Complaints

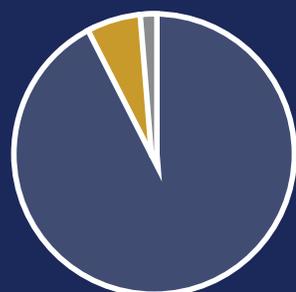
2021-22

1641 Investigations closed



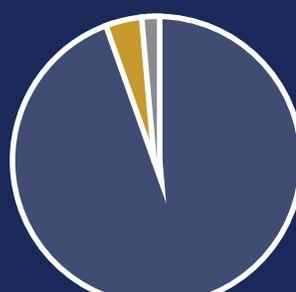
2020-21

1536 Investigations closed



2019-20

1581 Investigations closed



Business Plan Highlights

Despite COVID-19 related challenges, 2021-22 proved to be a productive year. Galvanized by the expertise of our staff, the office once again established individual and team goals to support the success of the business plan. Staff SMART goals are formularized to be *specific, measurable, attainable, relevant* and *time specific* – the common elements that serve as predictors of success when aligned to the organization’s desired outcomes.

Here are some of our accomplishments from the 2021-22 fiscal year:

Goal 1: The Ombudsman will continue to develop best practices to ensure efficient, timely and thorough investigations.

The Ombudsman’s core function is to objectively investigate complaints of unfair treatment. In 2021-22, year two of the pandemic continued to challenge complaint handling and investigations for the majority of the year. As conditions improved, we contemplated returning from remote offices. We considered occupational health and safety requirements, consulted with peer offices across the country and gathered viewpoints from staff through an employee survey. The result – a pilot project for a hybrid workplace model, implemented in March 2022. The goal was to provide managers and staff with parameters and scheduling guidelines that allowed work to carry on while maintaining the organizational objectives and the quality of services Albertans deserve.

Timely and thorough investigations remained essential and thanks to a continued focus on early resolution of complaints, closure rates remained steady over the last three fiscal years (see left).

Goal 2: Fairness is promoted to Albertans and authorities through education and awareness.

The Ombudsman is legislated to address citizen complaints, and promotional activities that enhance awareness of who we are and what we do are necessary to continuously improve our services. In 2021-22, two committees contributed to the success of our outreach program:

- 1) The Ombudsman Public Engagement Team: a “think tank” committee responsible for developing strategies and recommendations so the office may address the public education requirement of our mission.
- 2) The Presentation Group: a group of dedicated investigators working to build understanding and capacity through educational presentations on administrative fairness and elements of good decision writing.

In 2021-22, we conducted 34 outreach activities both virtually and in person as restrictions allowed.

Here are some example events:

	Paper, webinar and video, Giving Voice to Mental Health Patients, the International Ombudsman’s Institute’s 12 th World Conference		Collaboration, Indigenous Navigation Program Intake Shadowing, the Patient Concerns Resolution Process, AHS
	Webinar, John Howard Society, Interagency Coalition, Red Deer		Webinar, Inclusion Alberta
	Webinar, Office of the Child and Youth Advocate		Webinar, Portage College Public Legal Education
	Community Partner, MacEwan University		Trade show, Rural Municipalities of Alberta
	Trade show, Alberta Municipalities		Webinar, School at the Legislature
	Webinar, Wood Buffalo Development Advisory Committee		Webinar, Service Alberta

Throughout 2021-22, we continued to prioritize the development of online content to engage remote audiences. We frequently posted case summaries, news, publications and educational resources through our social networks and website. Here is a snapshot of our 2021-22 digital accomplishments:

Social Media



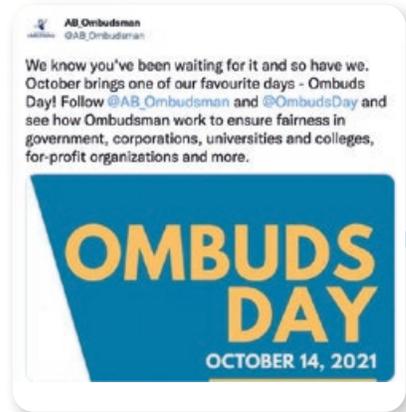
908 followers and subscribers
36,058 impressions and reach

Website

www.ombudsman.ab.ca



34,717 website visitors
(up 3% from last year)
171,437 pageviews
(down 3% over last year)



Top Tweets

Goal 3: The Ombudsman will ensure the relevant legislation is meeting the needs of Albertans and her office has the ability to fulfill its roles and responsibilities.

In 1967, the Alberta Ombudsman opened as the first parliamentary ombudsman in North America. Now all Canadian provinces and territories (except Nunavut) have a provincial or territorial ombudsman responsible for providing oversight of government services. Offices like these join ombudsman institutions worldwide to promote the rule of law, open government and protect the people against maladministration and abuse of power.

While there have been incidental changes to Alberta's 55-year-old *Ombudsman Act*, our office continues to engage with stakeholders and legislators for a full, meaningful review. One of the revisions suggested calls for a full review of the legislation every 10 years. Establishing regular reviews would mirror provisions in more modern legislation such as the *Public Interest Disclosure (Whistleblower Protection) Act*.

We understand the responsible Ministry has committed to reviewing our proposed amendments and possible options for advancing them. We look forward to supporting a legislative review with any required technical expertise and promoting the benefits a revised Act could provide the people of Alberta.



Marianne Ryan's Reflections on Five Years as Ombudsman

When a public official announces, "I'm here to help!" the normal reaction is to reserve judgement. After five years as Alberta's ninth Ombudsman, I can confidently proclaim that is the prime motivation of this office and its staff.

The office of the Ombudsman exists to help citizens navigate through complex bureaucratic situations to ensure they receive the services and benefits conferred on them by legislation passed by elected officials. The Ombudsman was created as an independent officer who reports to an all-party committee of the legislature rather than to a government official or a minister of the crown. As a neutral agent, the Ombudsman's role is to ensure government programs are administered to everyone fairly, in the manner with which those programs are enabled by the legislation. In doing so, the office not only helps complainants, but it also regularly assists civil servants to fairly deliver the programs for which they are responsible.

I take great satisfaction that during my five years, the office put into effect a modern investigation scheme aimed at streamlining majority of complaint investigations. We call this early resolution. My predecessor, Peter Hourihan, had the foresight to initialize plans for a new approach. He began when it became known that the jurisdiction of the Alberta Ombudsman would almost double with the addition of municipalities, effective April 1, 2018. The old system was more formal and time consuming. All complaints were opened by letter with the administrative head of the authority, often a deputy minister. A written response from the deputy minister was expected – this exchange of correspondence could take months because it usually required considerable research and a meticulous

presentation of facts and documents. At the end of the investigation, the process was repeated with a formal exchange of written correspondence. Many investigations took more than a year to complete.

Early resolution is much quicker, contributing to strong case closure rates discussed earlier in this report. Experience over the past five years indicates that most complaints can be resolved at an earlier stage, led by administrative fairness investigators on the front lines. The complainant is served in a timely manner. Authorities benefit when matters are brought to a close efficiently.

When municipalities came on stream at the beginning of my term, it was a great "selling" feature to be able to tell them that we did not want to add to their bureaucratic burden but could actually assist in their management of systemic issues and/or complaints about their policies and processes.

A place remains for the traditional investigative methods. If a complaint is systemic in nature, exceptionally complicated or intransigent is encountered, the best result can only be delivered when the Ombudsman makes carefully considered recommendations to the authority after a full investigation. A third option is an own motion investigation. It is usually reserved for complaints where there is substantial public interest in the findings. Several important own motion investigations conducted during my tenure are posted on the Ombudsman website. Our [Youth in Segregation](#) own motion investigation reviewed the use of segregation in Alberta's young offender centres. A second own motion, [Treating people with mental illness fairly](#), looked

at the province's Mental Health Review Panels and the review process for people involuntarily committed to mental health facilities. Both helped draw attention to changes required to protect vulnerable citizens. A third own motion investigation, and my office's most recent, is titled [Government of Alberta Emergency Isolation Support Program](#) and is described in a story on page 18.

From the beginning, I stressed the importance of positive relationships with Indigenous Peoples. As described later in my report, all staff are required to complete a 20+ hour [Indigenous studies course](#). This year our efforts to engage Indigenous Peoples were evaluated by a class from MacEwan University. The class made several suggestions and steps are already underway to implement some of their ideas.

Alberta established Canada's first parliamentary Ombudsman office in 1967. It remains important that Alberta continue to be a leader in Ombudship nationally and internationally because ensuring fair access to government services is fundamental to the democratic process. My office wrote a paper for the International Ombudsman Institute (IOI) which was later presented at the IOI's 12th world conference. Other papers have and will be published in the popular and academic press. Additionally, my office is taking a leadership role in promoting advanced training for Ombudsman staff across Canada. I personally served as the president of the Canadian Council of Parliamentary Ombudsman (CCPO) in the last year of my appointment. The CCPO takes an active part in protecting and promoting the Ombudsman institution in Canada and also ensures Canadian Ombudsmen have a voice on the international stage. While Ombudspersons are established across Canada, legislators do not always appreciate how seemingly incidental changes can threaten the independence and resources of the Ombudsman.

In Alberta, I am pleased to confirm my office operates without undue influence or threats. Rather, the Legislature has shown confidence in my office by increasing the number of public authorities under my jurisdiction. The greatest need from the elected officials is a complete review and modernization of the 55-year-old *Ombudsman Act*. Hopefully, the changes will be consistent with the [Venice Principles](#) – an international document that outlines standards modern legislation should achieve.

A couple of years ago one of my senior investigators told me: "I help people until I can't." Simply put, that is the spirit of the Alberta Ombudsman. Like all publicly funded institutions, Ombudsman staff must paint between the lines and restrict their activities to the functions described in the *Ombudsman Act*. Within that scope, investigators listen empathetically to what callers tell them, a tremendous relief for people expecting automated telephone triage or generic emails. If the contact is premature because other appeals are available or if the complaint is outside the jurisdiction of the Ombudsman, investigators direct callers to the right path to pursue their issue. For citizens to have confidence in public institutions, someone must help them achieve fair outcomes.

These past five years mark the conclusion of my 40-year career as a public servant and my time as Ombudsman has been very rewarding. While bringing this chapter to a close comes with mixed feelings, I am confident in the strength and capacity of the leadership and staff who continue to ensure people in this province are treated fairly. Upon completing my tenure and leaving the office, I want to thank Albertans for the privilege of serving them for the past five years.



Decisions of Quasi-judicial Panels Must be Respected

Generally speaking, government departments are required to comply with decisions of statutorily created quasi-judicial tribunals. In this case, the Alberta Ombudsman recommended Alberta Health follow a hearing panel's directions in accordance with the legislation.

Alberta Health found it administratively difficult to apply decisions rendered by both the Out-of-Country Health Services Committee, which makes the initial decision, and the Out-of-Country Health Services Appeal panel, which reviews the committee decisions. Both are established under the *Out-of-Country Health Services Regulation* which is a regulation under the *Alberta Health Care Insurance Act*. The decisions approved nearly \$100,000 in funding to cover the costs paid by Mr. Park* for an out-of-country treatment program.

Alberta Health did not dispute the fairness of the administrative process, rather did not believe the evidence presented by Mr. Park supported the hearing panels' decisions. The Department sought clarification from the Appeal Panel and the Appeal Panel advised that it had approved the services for funding based on the evidence before it.

The Department argued it could not make payment to Mr. Park without further supporting evidence. The Ombudsman pointed out that, according to their enabling legislation, the hearing panels were specifically empowered and accountable to make decisions regarding the eligibility of expenses. The Ombudsman further noted the legislation explicitly directs the Minister to make payment in accordance with the hearing panels' decisions.

*All complainant names throughout this report have been changed to protect their identities.

Mr. Park could have asked the courts to enforce the hearing panels' decisions; however, he chose to make a complaint to the Ombudsman instead. Rather than requiring Mr. Park to bear the cost and risk of going to court, the Ombudsman exercised her discretion and investigated his complaint.

Regrettably, it took over two years to resolve this case. Understandably, Alberta Health was diverted much of the time by the onset of COVID-19, resulting in delays. The Ombudsman determined that whether the hearing panels' decisions were correct in law was not an issue. If the Department disagreed with the hearing panels' decisions it could have gone to the courts for judicial review; the Department chose not to do so. Consequently, the only decisions to be followed were that of the hearing panels'. The Ombudsman determined the issue was straightforward – the hearing panels had rendered decisions and in the absence of intervention by the courts, the department was statutorily obliged to comply with the hearing panels' decisions.

Department officials disagreed with the Ombudsman's recommendation and the Ombudsman found it necessary to discuss her recommendations with the Deputy Minister. The cooperation and understanding of the current Deputy Minister were pivotal in finally bringing this case to conclusion. The department settled with Mr. Park and the Ombudsman closed the case.

Alberta Health suggests this case may provide a learning opportunity. The department finds it easier to reach conclusions concerning the payment of out-of-country health services when the invoices and supporting information (e.g., proof of payment) are complete and detailed. Additional information on health care coverage outside Canada can be found on the Government of Alberta [website](#).



From the Ombudsman's Playbook

The Alberta Ombudsman is a parliamentary Ombudsman with the legislated authority to investigate on her own initiative.

This means a complaint is not always necessary for the Ombudsman to open an own motion investigation. There may be many reasons for initiating an own motion. A trend or pattern of issues in the administrative fairness of a program or department may have come to the Ombudsman's attention. This may have become apparent through multiple investigations of the same issue, or the Ombudsman may advance should there be undue impact or risk to the public.

An own motion investigation can transcend individual complaints and look deeper at the rights, interests, and fair treatment of Albertans.

Everyone has the right to be treated fairly in the provision of public services and the Ombudsman works collaboratively with authorities towards that aim.

Own Motion to Improve Future Emergency Benefits

Administrators do well to manage a crisis. Expecting A+ results in extreme circumstances may be beyond reasonable expectations. Hindsight into the government's Emergency Isolation Support program during the COVID-19 pandemic offers valuable lessons.

On March 17, 2020, the Government of Alberta declared a state of public health emergency as concerns over the pandemic grew. Albertans across all socio-economic standings were affected. Some experienced an interruption in the ability to earn income while others lost jobs entirely. Alberta's Emergency Isolation Support (EIS) Program offered a one-time payment for Albertans who were unable to work due to a requirement to isolate or to care for a dependent who was isolating as a result of COVID-19. Administered by the Ministry of Labour and Immigration with the assistance of the Ministry of Service Alberta, the program was developed quickly to meet the rising need and was not intended to be a long-term financial solution.

The Ombudsman's office received its first EIS complaint the day after the program went live. It was the first of numerous complaints from applicants who felt they met the eligibility criteria but were denied without explanation. In July 2020, the Ombudsman launched an own motion investigation to look deeper into whether the application of the EIS program was administratively fair. The investigation focused on program policy, eligibility requirements, applicant assessment criteria, and how decisions were made and documented.

The Ombudsman found several differences between what the program outlined in policy and how it was implemented. The investigation identified concerns surrounding the decision-making process. While decisions were genuinely being made in the public's best interests, the information and data used to make these decisions were not being tracked or retained.

The Ombudsman recognized that the EIS program was unique. It was evident the government worked hard to quickly provide financial support to those who needed it and relied on applicants to be honest and apply only if they met the requirements. The cost of this program was significant, and the government reported the benefit to Albertans was in excess of \$108 million dollars. However, decision-making processes must reflect administrative fairness principles even during emergencies.

In September 2021, the Ombudsman made seven recommendations and two observations with the intention of improving the administrative fairness of future emergency benefit programs.

While the Ombudsman closed the investigation into the EIS program, our office will monitor the government's implementation of the recommendations. With thoughtful preparation and the appropriate training future emergency response plans and programs can be effective, efficient and administratively fair.



From the Ombudsman's Playbook

The Ombudsman operates independently from the Alberta government, political parties, and individual elected officials.

From time to time, an Ombudsman investigation becomes the subject of discussion in the Legislature. When in session, the Assembly's daily routine includes oral discussion that integrates the right to seek information and the right to hold government accountable. This abbreviated excerpt speaks to the Ombudsman's work and the government's acceptance of recommendations. The interchange is public record from Alberta Hansard¹, dated April 19, 2022:

Ms. Renaud: "...The Ombudsman found that there was no policy to accommodate those with disabilities and that there was no clear system to address code of conduct complaints. This follows a two-year investigation by the Ombudsman into a case where a man's disability was not accommodated...."

Ms. Schultz: "...There were recommendations put forward from the Alberta Ombudsman. Our government has accepted all of those recommendations, and the department also, after extensive reviews of the AISH program had amended the appeals process in December 2021, with those changes starting to take place in April of this year."

¹ https://docs.assembly.ab.ca/LADDAR_files/docs/hansards/han/legislature_30/session_3/20220419_1330_01_han.pdf

The Hard-to-Hear Hearing

To ensure full participation rights in appeal hearings, alternate arrangements for people who have needs related to a disability should be standard.

In early 2020, the Assured Income for the Severely Handicapped (AISH) Appeal Panel heard Ms. Finlay's appeal asking AISH to backdate her benefits. Ms. Finlay was represented by her husband who has a hearing disability. Ms. Finlay's appeal was heard via teleconference and Mr. Finlay struggled to hear all of the proceedings. As his wife's representative, Mr. Finlay believed his inability to hear affected his wife's right to a fair appeal. In the end, the Finlays' appeal was denied.

Mr. Finlay wrote to the Ombudsman to complain about the process leading up to the hearing, which is managed by the Appeals Secretariat. He also complained about the AISH Appeal Panel's decision, and the actions taken by the members during the hearing.

The Ombudsman's investigation found several issues with administrative fairness before the hearing and afterwards – some issues that the Appeals Secretariat was responsible for and others the provincial chair of the Citizen's Appeal Panel was responsible for.

Our investigation concluded that:

- There are no procedures in place to guide the work of the AISH Appeal Panel. This is the responsibility of the provincial chair. The Ombudsman recommended that the provincial chair create consistent, province-wide Appeal Panel hearing procedures to guide the work of the Citizen's Appeal Panel. This recommendation was accepted.
- After Mr. Finlay filed a code of conduct complaint with the Appeals Secretariat about the hearing panel, his concerns were not answered. Our investigation found that the code of conduct does not clearly state who an individual can complain to or how they will be notified of the outcome of their complaint. We learned it is the provincial chair's responsibility to address these

complaints. As a result, the Ombudsman recommended the provincial chair establish procedures for reviewing complaints under the code of conduct and to provide Mr. Finlay with a response to his allegations. The provincial chair accepted this recommendation.

- Mr. Finlay was not asked whether he required an accommodation for any disability prior to the AISH appeal being heard. The onus to record hearings and ensure accommodation of disabilities during hearings is placed squarely on the shoulders of the appellants. Further, the appeal panel did not recognize Mr. Finlay as his wife's formal representative rather they viewed him simply as a family member accompanying his wife. The Ombudsman recommended that the Appeals Secretariat establish policies to address these issues. The Appeals Secretariat accepted this recommendation.
- The decision to not change Ms. Finlay's commencement date was reasonable, as it followed the legislation. However, the decision referred to the wrong section of the legislation as it relates to the definition of what constitutes a severe handicap. The decision also failed to respond to substantive arguments made by Mr. Finlay concerning the appeal panel's jurisdiction. The Ombudsman recommended the appeal panel issue an addendum to its decision dealing with these concerns. The AISH Appeal Panel accepted this recommendation.

The recommendations made in this case will have far-reaching effects for all future appellants attending AISH Appeal Panel hearings. They will have an opportunity to seek accommodation for their disabilities, have a clear path to complain about panel members' conduct, and with province-wide procedures in place, hearings will be more consistent and more administratively fair.





From the Ombudsman's Playbook

In 2001, the Ombudsman acquired legislative authority to investigate complaints about health colleges named in the *Health Professions Act*.

Health colleges work to regulate the professions in the public's best interest by directing regulated members. Under the *Health Professions Act*, a college must also establish, maintain, and enforce standards of practice and a code of ethics.

The relationship between the Ombudsman and professional colleges, including the health colleges, has matured over the past 20 years. Initially, an administrator unfamiliar with our office may hesitate when the Ombudsman becomes involved and there may be moments of disagreement. However, with perseverance and a mutual effort to promote administrative fairness, a common goal is achieved. That is, decisions that employ principles of administrative fairness result in better services for all Albertans.

Investigation Alters Course with Change in Perspective

Resolution is not always reached on the first try; sometimes a series of discussions is required to ensure administrative fairness.

As a self-governing regulatory body, the College of Physicians and Surgeons of Alberta (the College) receives and investigates complaints about the practice of medicine.

Ms. Chu complained to the College that her doctor had behaved inappropriately during a medical appointment and did not adequately collect her patient history.

The College investigated the complaint and found insufficient evidence to refer the physician to a hearing tribunal to assess unprofessional conduct. Ms. Chu disagreed and filed a request for review to the College's complaint review committee. The committee upheld the College's decision.

Frustrated by this outcome, Ms. Chu complained to the Ombudsman about the College's investigative process and its findings. She argued the College did not address several of the concerns she brought forward. She alleged the College neglected to take the time to clarify her concerns and seemed confused about why the College did not address portions of her complaint or allow her to submit certain documents.

The Ombudsman's investigator reviewed both the College and the committee's decisions and was left with several questions. After discussions with the College, the investigator proposed a solution using the early resolution phase of our investigative process. Specifically, it was suggested the College issue further written correspondence to Ms. Chu providing a better explanation of its investigative process, the types of evidence accepted or included and why certain evidence may be excluded. The College readily agreed and issued Ms. Chu an addendum within a week. However, the College did not agree with the Ombudsman investigator's suggestion to fully address Ms. Chu's concerns about the completeness of patient history taken by the physician.

As a result, the Ombudsman opened a full investigation into this portion of Ms. Chu's complaint.

The investigation led to several meetings with representatives of the complaint review committee and the College to discuss the Ombudsman's perspective. The College remained receptive and indicated a willingness to try to resolve the case. Our investigator persisted in explaining administrative fairness expectations with respect to appeal body decisions addressing arguments and evidence raised by appellants during appeal processes. Finally convinced, the complaints review committee agreed to issue a letter further clarifying its decision to Ms. Chu, addressing the concerns she raised in her request for review.

The Ombudsman was satisfied Ms. Chu's complaint had been reasonably addressed and concluded the investigation. It is rare for the Ombudsman to support a complaint and close a full investigation without making recommendations to the authority. However, it was appropriate given the College decided to re-evaluate its position and agree to a solution. Because the College kept an open mind, both the College and complainant benefited as closure arrived at an earlier time.

The Ombudsman encourages investigators to think outside the box in their pursuit and promotion of fair outcomes. In this case, everyone's perseverance is to be commended for finding the best resolution to address everyone's concerns.





Municipal Reassessment Results in a Refund

When an elected council makes an administrative decision, it should follow the rules and decision-making process set out in the relevant bylaw. When a municipality realized the rules were unclear, it forgave a \$2,700 repair bill levied on a homeowner for a sewer line repair.

This case illustrates that while all municipalities in Alberta operate under the *Municipal Government Act* (the MGA), how each municipality operates is certainly not “one-size-fits-all”. Unless there are extreme circumstances, sewer line repairs will never appear before the elected council in a city. A smaller municipality with a finite number of professional staff may take a different approach.

A homeowner was charged for the costs of reconnecting his line to the mainline when a 60-year-old connection failed. The homeowner argued he should not be responsible for what he perceived as a municipality infrastructure failure. The MGA does grant a municipality the right to deem the homeowner responsible, but the bylaw in force at the time of the break did not include the necessary provision. Coincidentally, the municipality was in the process of changing the bylaw to make a homeowner responsible around the same time as this repair was completed and the invoice issued. In this case, the new bylaw was applied before council had passed it.

The Ombudsman investigator noted the new bylaw was not retroactive. He also suggested to the municipality that if it decided the power to make these billing decisions rested with council, then this decision-making authority should be set out in bylaw. Further, he advised the municipality that the bylaw should include the opportunity for the homeowner to make a representation to council, what council is to decide, and direct council to provide a decision with reasons to the property owner.

The council agreed and by resolution refunded the cost of the repairs to the homeowner.

Complaint Renews Emphasis on Fairness in Longstanding Disagreement

A call from the Ombudsman's office helped an Alberta municipality revisit a complainant's long-standing concerns about the use of his neighbour's property.

After Mr. Storey purchased his home, he found his neighbour used their residence as an animal shelter. With the considerable number of animals and volunteers at the house, Mr. Storey's enjoyment of his own property was greatly reduced.

The Ombudsman investigator noticed that although the municipality responded to Mr. Storey's complaint, the written decision did not address many of his concerns, including the facts that the animals are not the owner's pets and the neighbourhood is not zoned to allow an animal shelter.

When contacted by our office, the municipality administrator explained the residence had not always been used as a shelter, but the situation changed over the years. These developments, along with the good intentions of the animal rescue, made it difficult for the municipality to find a solution. However, following a discussion with our investigator, the municipality agreed to revisit Mr. Storey's concerns. The municipality assigned a staff member who was not involved with the previous complaint to contact Mr. Storey and provide him with an update. Once the municipality agreed to reconsider whether the shelter could be accommodated under the existing rules, the Ombudsman closed the case.

The municipality reevaluated the situation and placed a stop order on the animal shelter allowing the shelter one year to find a new location or to come into compliance with existing zoning requirements.

Sometimes a long-standing issue can lead to recurring complaints. In this case, the complainant finally felt heard. A common recommendation the Ombudsman makes to authorities is to address the complainant's arguments and provide adequate reasons for the decision, referencing applicable legislation, policy, or bylaws.





Alberta Motor Vehicle Industry Council Strives for Fairness

Reviews by the Ombudsman may also result in cultivating administratively fair practices. The first complaint received after the Ombudsman obtained jurisdiction over the Alberta Motor Vehicle Industry Council (AMVIC) resulted in a productive conversation with AMVIC that will benefit all Albertans.

Mr. Yellowbird complained to the Ombudsman when he received a decision made by AMVIC to conclude its investigation of his complaint. Mr. Yellowbird submitted a complaint to AMVIC about a vehicle dealership and his dissatisfaction with his process to lease a vehicle and his lease agreement. AMVIC closed Mr. Yellowbird's complaint, advising it could not investigate his concerns further due to insufficient evidence the dealership contravened the *Consumer Protection Act* or relevant regulations.

In his complaint to the Ombudsman, Mr. Yellowbird raised concerns about AMVIC's investigation and indicated he disagreed with its decision to close his complaint.

An Ombudsman investigator reviewed the file, including AMVIC's decision letter. She identified several questions related to the administrative fairness of the letter including AMVIC's explanation of applicable legislation and its provision of reasons for its decision. The Ombudsman opened a full investigation into the complaint.

Shortly thereafter, AMVIC acknowledged its decision did not meet the threshold of administrative fairness. AMVIC advised the Ombudsman of its plans to change several of its policies which guide its assessment and investigation of complaints, improve its decision letters, and solidify an appeals process for its decisions. The Ombudsman was impressed with this response as AMVIC not only acknowledged its decision was administratively unfair, but it also took initiative to change and improve its decision-making process.



At the conclusion of the investigation, the Ombudsman recommended AMVIC address the administrative unfairness found with its decision by issuing an addendum to Mr. Yellowbird. The Ombudsman also provided feedback as to AMVIC's appeals process and its communication with consumers. AMVIC responded to the Ombudsman's recommendations and feedback, advising it accepted and implemented them.

“Throughout the investigative process, AMVIC demonstrated transparency, a willingness to accept feedback, and sought input from our office as to its administrative processes. This contributed to a collaborative working relationship, which in turn impacted the investigation's outcomes,” remarked Ombudsman Marianne Ryan. She went on to say that “AMVIC was not only able to act on recommendations as it relates to this case, but it is also implementing changes that improve administrative fairness for future complainants.”

When asked about the experience, AMVIC's Legal Counsel, Ms. Jacqueline Kibsey, had this to say:

“This was a pivotal case for AMVIC. The investigation's findings and recommendations led to marked improvements in how we manage complaints and write our decisions. We also appreciated the Ombudsman investigators taking the time to deliver a presentation to our staff. The tools and real-life examples will help our organization comply with administrative fairness and implement elements of a good decision.”



A Fair Decision, Years in the Making

Several years ago, residents of a quiet subdivision contacted the Ombudsman with concerns about the approval of an industrial permit in their neighbourhood. The application had first been denied by the municipality's planning commission, but the development appeal body overturned that decision and granted the permit. The residents then pursued the matter through legal channels, at which time the Ombudsman's office discontinued its investigation. The Alberta Court of Appeal deferred the matter back to the municipal appeal body for a new appeal.

By this point, the municipality had modified its land use bylaw, which speaks to what qualifies as a home business. At the conclusion of the appeal rehearing, the permit applicant was approved for the development permit under the amended bylaw. The residents who challenged the permit believed the municipality modified the bylaw to suit the needs of the applicant, and again raised their concerns to the Ombudsman.

The complainants had concerns with both the amendments to the land use bylaw (a decision made by the municipality) and the appeal body's decision (a separate entity from the municipality's administration). Because of this, the Ombudsman investigated the two separate issues.

Regarding the land use bylaw amendments, our investigator found:

- The changes to the bylaw made it significantly clearer and easier to understand how home businesses are approved;
- The municipality was allowed to amend the bylaw per the *Municipal Government Act*;
- The municipality had a public participation policy and an advertising bylaw, both of which it followed;
- Per the land use bylaw, notice of the public hearing was given and the public hearing occurred; and
- The municipality was open about its desired changes and made the decision to amend the bylaw as a whole not to benefit a single party.

Regarding the decision of the development appeal body, our investigator found:

- The appeal body decided the proposed development fit within the land use bylaw and provided reasons for this in the decision; and
- The appeal body considered the arguments and addressed all major concerns.

While the complainants did not get the outcome they were hoping for, they did receive a thorough investigation and an impartial decision concluding the municipality acted in an administratively fair manner. The municipality demonstrated significant growth in its ability to provide administratively fair decisions which cite legislation, offer adequate reasons, and explain reasonable links between the evidence considered and the decision made.



About the MELT Program

On April 6, 2018, sixteen people were killed when a semi-trailer failed to yield at a flashing stop sign at an intersection of two highways near Armley, Saskatchewan. A bus carrying the Humboldt Broncos, a junior ice hockey team, crashed into the semi-trailer changing forever the families of those who were lost or injured that day.

Many provinces across Canada initiated reform of transport truck training in the wake of the tragedy.

The Mandatory Entry Level Training (MELT) program came into effect for Alberta drivers on March 1, 2019. Now, drivers seeking a Class 1 and Class 2 commercial license must complete the mandatory training at licensed Alberta driver training schools. Information about the program, including instructions for out-of-province Class 1 or 2 licenses, is available on the Government of Alberta's [website](#).

Albertans with complaints about the MELT program or any other service provided by the provincial government are welcome to call the Ombudsman for advice. We offer an impartial perspective on the complaint and work to pursue fair treatment.

New Policy Gets Things Moving for a Commercial Driver

Sometimes an investigation by the Ombudsman produces unexpected results. A complainant received the outcome he hoped for thanks to a department's change in policy.

Mr. Sherman submitted a complaint to the Ombudsman about a decision of the Department of Transportation (Transportation). The decision denied Mr. Sherman's request to exchange his out-of-province commercial driver's license for the Alberta equivalent. Transportation advised Mr. Sherman he did not qualify for a license exchange because he did not meet the province's eligibility requirements to do so. To be eligible, Transportation advised Mr. Sherman that he would need to complete Alberta's Mandatory Entry Level Training (MELT) Program to obtain a commercial driver's license.

Mr. Sherman complained to the Ombudsman as he felt he completed similar training in his home province and believed he should not be required to complete the MELT program. The Ombudsman investigator's assessment of the case identified questions regarding the administrative fairness of Transportation's decision and an investigation was consequently opened. The investigator also noted administrators at the department had limited experience working with our office.

Towards the end of the investigation, Transportation advised the Ombudsman it had made several changes which would impact not only Mr. Sherman's case but also cases of a similar nature. Transportation changed its process for addressing public complaints, in that it implemented a new review process for its decisions called the Registrar Reconsideration process. The Ombudsman found this change to be significant as this implemented a formal process for contesting decisions, which did not exist at the time of Mr. Sherman's complaint.

In addition, Transportation advised it amended its license exchange process such that the training program Mr. Sherman completed in his home province is now recognized as being substantially similar to Alberta's MELT Program. As a result, commercial drivers from his home province can exchange their license for the Alberta equivalent.

In light of the changes, Mr. Sherman was able to re-apply for and obtain an Alberta commercial driver's license. The Ombudsman acknowledged the advancements the department made and to further enhance awareness of our office, offered staff the opportunity to attend a virtual presentation on our investigative process.



Education and Awareness

The Ombudsman must have a strong vision for education and awareness if citizens who require our services are to reach us. We look for opportunities to amplify positive messages about our services, as well as ways to strengthen the office's public-facing profile.

Your knowledge of administrative fairness, principles of natural justice and effective decision writing was presented in a common sense manner that the group particularly appreciated. The team found your subject matter expertise along with your great presenting style made for a very informative morning!

In 2021-22, our outreach strategy included building relationships with advocacy and services agencies. Many are mentioned on page 11. By listening for common issues experienced by seniors, people with disabilities, children and youth, newcomers, patients (including mental health patients), members of Indigenous communities and others subjected to unfair treatment, we gain a better sense of how we may encourage necessary change. Other significant projects included:

The IOI World Conference, May 2021

On May 28, 2021, Ombudsman Ryan introduced a best practice paper, [*Giving Voice to Mental Health Patients*](#), at the International Ombudsman Institute's 12th General Assembly and World Conference.



The paper, inspired by Mary Marshall of Meadows Law and former solicitor to the Alberta Ombudsman, and written by staffer Daniel Johns, described how Ombudsman institutions can design investigations that protect the rights and interests of disadvantaged groups. It also argued that today's Ombudsman need to adopt a proactive approach by seeking opportunities to look at the needs of groups who otherwise might remain voiceless. A video produced for the event is available to the public [here](#).

National Truth and Reconciliation Day

On September 30, 2021, the offices of the Alberta Ombudsman and Public Interest Commissioner closed in recognition of National Day for Truth and Reconciliation. Staff were encouraged to commemorate the day and reflect on how the offices may continue to improve services for Indigenous Peoples. From that time, we focused on the Truth and Reconciliation Commission of Canada: Calls to Action #57 which states “We call upon federal, provincial, territorial, and municipal governments to provide education to public servants on the history of Aboriginal peoples, including the history and legacy of residential schools, the *United Nations Declaration on the Rights of Indigenous Peoples*, Treaties and Aboriginal rights, Indigenous law, and Aboriginal-Crown relations. This will require skills-based training in intercultural competency, conflict resolution, human rights, and anti-racism.”



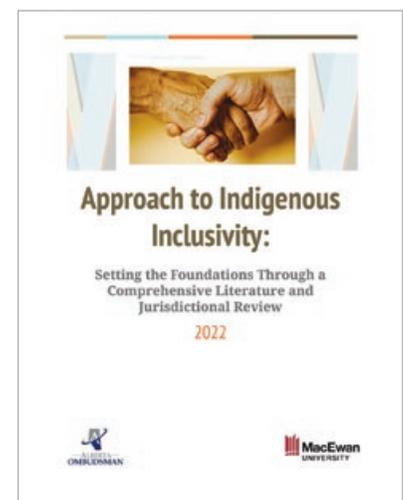
Indigenous Canada Course

In 2021-22, our office developed a three-phased plan to gain a deeper understanding of Indigenous communities and the issues they face. Phase one of the plan was to acquire formal training that provides an in-depth understanding of historical and contemporary experiences of Indigenous Peoples. The [Indigenous Canada course](#) through the University of Alberta came highly recommended and offers instruction on Indigenous history, worldviews and contemporary issues facing Indigenous communities today. At the close of the fiscal year, 88% of our total staff complement had completed the 20+ hours of online training. As part of onboarding new staff, all new employees will also complete this training.

MacEwan University Work Integrated Learning Project

In 2021-22, we partnered with Dr. Emily Milne and her students at MacEwan University studying social inequality in Canada. The course incorporates work integrated learning initiatives that encourage intentional learning experiences with community organizations. Our goal in partnering with the students was to gain insight to the question: How can the Alberta Ombudsman enhance staff actions and staff knowledge/understanding to better serve Indigenous Peoples?

The students made a meaningful contribution and through their project gathered, synthesized, and analyzed leading practices to improve the Ombudsman’s services for Indigenous Peoples. We look forward to exploring the recommendations further and offer a heartfelt thank you to Dr. Milne and her students for their excellent work!



Office of the Ombudsman

Financial Statements

March 31, 2022

OFFICE OF THE OMBUDSMAN
FINANCIAL STATEMENTS
Year Ended March 31, 2022

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Change in Net Debt

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 – Salary and Benefits Disclosure

Schedule 2 – Allocated Costs

To the Members of the Legislative Assembly

Report on the Financial Statements

Opinion

I have audited the financial statements of the Office of the Ombudsman, which comprise the statement of financial position as at March 31, 2022, and the statements of operations, change in net debt, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Office of the Ombudsman as at March 31, 2022, and the results of its operations, its changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Office of the Ombudsman in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Office of the Ombudsman's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Office of the Ombudsman's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Office of the Ombudsman's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office of the Ombudsman's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Office of the Ombudsman to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General

July 5, 2022
Edmonton, Alberta

OFFICE OF THE OMBUDSMAN

STATEMENT OF OPERATIONS

Year ended March 31, 2022

	2022		2021
	Budget	Actual	Actual
Revenues			
Surplus sales	\$ -	\$ -	\$ 536
	-	-	536
Expenses - directly incurred (Notes 2(b), 4 and schedule 2)			
Salaries and employee benefits	3,510,000	3,403,739	3,337,387
Supplies and services	337,000	269,602	285,260
Amortization of tangible capital assets	25,000	25,493	27,214
	3,872,000	3,698,834	3,649,861
Less: recovery from support services arrangements with related parties	(398,000)	(401,047)	(393,972)
Program - operations	3,474,000	3,297,787	3,255,889
Net cost of operations	\$ (3,474,000)	\$ (3,297,787)	\$ (3,255,353)

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

OFFICE OF THE OMBUDSMAN

STATEMENT OF FINANCIAL POSITION

As at March 31, 2022

	<u>2022</u>	<u>2021</u>
Financial assets		
Accounts receivable	\$ -	\$ 18,096
	<u>-</u>	<u>18,096</u>
Liabilities		
Accounts payable and other accrued liabilities	134,699	229,235
Accrued vacation pay	413,390	365,402
	<u>548,089</u>	<u>594,637</u>
Net debt	<u>(548,089)</u>	<u>(576,541)</u>
Non-financial assets		
Tangible capital assets (Note 5)	41,814	77,080
Prepaid expenses	3,408	3,543
	<u>45,222</u>	<u>80,623</u>
Net liabilities	<u>\$ (502,867)</u>	<u>\$ (495,918)</u>
Net liabilities at beginning of year	\$ (495,918)	\$ (298,178)
Net cost of operations	(3,297,787)	(3,255,353)
Net financing provided from General Revenues	<u>3,290,838</u>	<u>3,057,613</u>
Net liabilities at end of year	<u>\$ (502,867)</u>	<u>\$ (495,918)</u>
Contractual obligations (Note 8)		

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

OFFICE OF THE OMBUDSMAN

STATEMENT OF CHANGE IN NET DEBT

Year ended March 31, 2022

	2022		2021
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Net cost of operations	\$ (3,474,000)	\$ (3,297,787)	\$ (3,255,353)
Loss on disposal of tangible capital assets		9,773	7,236
Amortization of tangible capital assets (Note 5)	25,000	25,493	27,214
Decrease in prepaid expenses		135	19,371
Net financing provided from General Revenues		3,290,838	3,057,613
Decrease/(increase) in net debt		<u>\$ 28,452</u>	<u>\$ (143,919)</u>
Net debt at beginning of year		<u>(576,541)</u>	<u>(432,622)</u>
Net debt at end of year		<u><u>\$ (548,089)</u></u>	<u><u>\$ (576,541)</u></u>

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

OFFICE OF THE OMBUDSMAN

STATEMENT OF CASH FLOWS

Year ended March 31, 2022

	<u>2022</u>	<u>2021</u>
Operating transactions		
Net cost of operations	\$ (3,297,787)	\$ (3,255,353)
Non-cash Items included in net cost of operations:		
Amortization of tangible capital assets	25,493	27,214
Loss on disposal of tangible capital assets	9,773	
Valuation adjustment - increase in vacation accrual	47,988	33,909
	<u>83,254</u>	<u>61,123</u>
Decrease/(Increase) in accounts receivable	18,096	(16,796)
Decrease in prepaid expenses	135	19,371
(Decrease)/Increase in accounts payable and other accrued liabilities	<u>(94,536)</u>	<u>126,806</u>
Cash applied to operating transactions	<u>(3,290,838)</u>	<u>(3,064,849)</u>
Capital transactions		
Proceeds on disposal of tangible capital asset	-	7,236
Cash provided by capital transactions	<u>-</u>	<u>7,236</u>
Financing transactions		
Net Financing Provided from General Revenues	<u>3,290,838</u>	<u>3,057,613</u>
Changes in cash	-	-
Cash at beginning of year	-	-
Cash at end of year	<u>\$ -</u>	<u>\$ -</u>

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

OFFICE OF THE OMBUDSMAN

Notes to the Financial Statements

Year ended March 31, 2022

NOTE 1 AUTHORITY AND PURPOSE

The Office of the Ombudsman (the Office) operates under the authority of the *Ombudsman Act*.

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

NOTE 2 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.

As the Office does not have any transactions involving financial instruments that are classified in the fair value category, there is no statement of re-measurement gains and losses.

(a) Reporting Entity

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

The Office's annual operating and capital budgets are approved by the Standing Committee on Legislative Offices.

The net cost of the operations of the Office is borne by the General Revenue Fund (the Fund) of the Province of Alberta, which is administered by the President of Treasury Board, 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.

OFFICE OF THE OMBUDSMAN Notes to the Financial Statements (Cont'd)

Year ended March 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting.

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 comprise the cost of employer contributions for current service of employees during the year and
- a valuation adjustment which represents the change in management's estimate of future payments arising from obligations relating to vacation pay

Incurred by Others

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

OFFICE OF THE OMBUDSMAN Notes to the Financial Statements (Cont'd)

Year ended March 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

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

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets are financial claims such as advances to and receivables from other organizations, employees, and other individuals.

Accounts Receivable

Accounts receivable are recognized at lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

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 external organizations and individuals arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

OFFICE OF THE OMBUDSMAN Notes to the Financial Statements (Cont'd)

Year ended March 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

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

Non-Financial Assets

Non-Financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- (a) are normally employed to deliver the Office's services,
- (b) may be consumed in the normal course of operations; and
- (c) are not for sale in the normal course of operations.

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

Tangible Capital Assets

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) Prepaid Expenses

Prepaid expenses are recognized at cost and amortized based on the terms of agreement.

(d) Net Debt

Net debt indicates additional cash required from the Fund to finance the Office's cost of operations to March 31, 2022.

OFFICE OF THE OMBUDSMAN

Notes to the Financial Statements (Cont'd)

Year ended March 31, 2022

NOTE 3 FUTURE CHANGES IN ACCOUNTING STANDARDS

The Public Sector Accounting Board has approved the following accounting standard:

PS 3400 Revenue (effective April 1, 2023)

This standard provides guidance on how to account for and report on revenue, and specifically, it differentiates between revenue arising from exchange and non-exchange transactions.

The Office has not yet adopted this standard. Management is currently assessing the impact of this standard on the financial statements.

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 (the “agreement”) for provision of shared services.

The Office of the Ombudsman’s employees provide general counsel, communications, and corporate (finance, human resources, information technology, administration) services to the Office of the Public Interest Commissioner. The salaries and benefits costs of these Ombudsman employees are allocated to the Office of the Public Interest Commissioner based on the percentage of time spent providing the shared services.

The agreement authorizes allocation of other office services (i.e. photocopier fees, etc.) paid by the Office of the Ombudsman to be allocated, on a usage basis, to the Office of the Public Interest Commissioner.

The shared services 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.

For 2021-22, the Office’s cost recovery from the Office of the Public Interest Commissioner was \$401,047 (2021-\$393,972).

OFFICE OF THE OMBUDSMAN

Notes to the Financial Statements (Cont'd)

Year ended March 31, 2022

NOTE 5 TANGIBLE CAPITAL ASSETS

	Furniture & Equipment ⁽¹⁾	Computer Hardware	Other ⁽²⁾	2022 Total	2021 Total
Estimated useful life	5-10 yrs	3-5 yrs	5 yrs		
Historical cost					
Beginning of year	\$ 121,263	\$ 61,790	\$ 33,220	\$ 216,273	\$ 223,509
Additions	-	-	-	-	-
Disposals	(48,126)	(56,135)	-	(104,261)	(7,236)
	73,137	5,655	33,220	112,012	216,273
Accumulated Amortization					
Beginning of year	70,388	47,772	21,033	139,193	111,979
Amortization expense	14,640	4,206	6,647	25,493	27,214
Effect of disposals	(45,526)	(48,962)	-	(94,488)	-
	39,502	3,016	27,680	70,198	139,193
Net Book Value at March 31, 2022	\$ 33,635	\$ 2,639	\$ 5,540	\$ 41,814	
Net Book Value at March 31, 2021	\$ 50,875	\$ 14,018	\$ 12,187		\$ 77,080

⁽¹⁾ Equipment includes office equipment and furniture.

⁽²⁾ Other tangible capital assets include leasehold improvements (amortized over the life of the lease).

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 \$313 for the year ended March 31, 2022 (2021-\$311).

At December 31, 2021, the Management Employees Pension Plan had a surplus of \$1,348,160 (2020 surplus \$809,850), the Public Service Pension Plan had a surplus of \$4,588,479 (2020 surplus \$2,223,582) and the Supplementary Retirement Plan for Public Service Managers had a deficit of \$20,982 (2020 deficit \$59,972).

The Office also participates in the multi-employer Long Term Disability Income Continuance Plan. At March 31, 2022, the Management, Opted Out and Excluded Plan reported a surplus of \$6,597 (2021 - surplus \$7,858). The expense for this plan is limited to the employer's annual contributions for the year.

OFFICE OF THE OMBUDSMAN
Notes to the Financial Statements (Cont'd)

Year ended March 31, 2022

NOTE 7 BUDGET

The budget shown on the statement of operations is based on the budgeted expenses that the all-party Standing Committee on Legislative Offices approved on December 4, 2020. The following table compares the office's actual expenditures, excluding non-voted amounts such as amortization, to the approved budgets:

	<u>Voted budget</u>	<u>Actual</u>	<u>Unexpended</u>
Operating expenditures	\$ 3,847,000	\$ 3,673,341	\$ 173,659
Capital investment	-	-	-
	<u>\$ 3,847,000</u>	<u>\$ 3,673,341</u>	<u>\$ 173,659</u>

NOTE 8 CONTRACTUAL OBLIGATIONS

Contractual obligations are obligations of the Office to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	<u>2022</u>	<u>2021</u>
Obligations under operating leases, contracts and programs	\$15,225	\$32,520

Estimated payment requirements over the next two years are as follows:

Operating leases, contracts, and programs

2022-23	\$12,180
2023-24	<u>3,045</u>
	\$ 15,225

NOTE 9 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Acting Ombudsman.

OFFICE OF THE OMBUDSMAN

Salary and Benefits Disclosure

Year Ended March 31, 2022

	2022			2021	
	Base Salary	Cash Benefits ⁽¹⁾	Non-Cash Benefits ⁽²⁾	Total	Total
Senior Official ^{(3) (4) (5)}					
Ombudsman / Public Interest Commissioner	\$ 240,945	\$ 42,608	\$ 9,716	\$ 293,269	\$ 292,287
Executive ^{(4) (5)}					
Deputy Ombudsman / Deputy Public Interest Commissioner	\$ 161,564	\$ -	\$ 31,327	\$ 192,891	\$ 192,319
	<u>\$ 402,509</u>	<u>\$ 42,608</u>	<u>\$ 41,043</u>	<u>\$ 486,160</u>	<u>\$ 484,606</u>

- (1) Cash benefits are pension-in-lieu payments and vehicle allowance.
- (2) Non-cash benefits include the Office's share of all employee benefits and contributions, or payments made on behalf of employees including pension plans, CPP/EI employer premiums, extended health care, dental coverage, group life insurance, long-term disability premiums, health spending account, parking and WCB premiums.
- (3) For 2021-22, the Ombudsman / Public Interest Commissioner was not provided an automobile and did not receive a taxable benefit on December 31, 2021 (2020 \$0).
- (4) The Senior Official is both the Ombudsman and the Public Interest Commissioner, and the Executive is both the Deputy Ombudsman and the Deputy Public Interest Commissioner. These positions do not receive additional remuneration for their Public Interest Commissioner roles. This schedule represents 100% of total salary and benefits for the Senior Official and the Executive for fiscal years 2021-22 and 2020-21.
- (5) Note 4 on the Notes to the Financial Statements provides information regarding allocation of shared services costs for financial statement presentation.

OFFICE OF THE OMBUDSMAN

Allocated Costs

Year Ended March 31, 2022

Program	Expenses ⁽¹⁾	2022			2021 Total Expenses
		Accommodation ⁽²⁾	Business Services ⁽³⁾	Total Expenses	
Operations	\$ 3,297,787	\$ 297,879	\$ 44,000	\$ 3,639,666	\$ 3,598,900

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

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

(3) Business Services - costs include charges allocated by Service Alberta for finance services (accounts payable, pay and benefits) and 1GX - the financial and human resources system.



Edmonton Office

9925 - 109 Street NW, Suite 700
Edmonton, Alberta T5K 2J8

Phone: 780.427.2756

Fax: 780.427.2759

Calgary Office

801 - 6 Avenue SW, Suite 2560
Calgary, Alberta T2P 3W2

Phone: 403.297.6185

Fax: 403.297.5121

Throughout North America call
toll free 1.888.455.2756

Email: info@ombudsman.ab.ca

Online complaint form
available at www.ombudsman.ab.ca

