



# TAKING OWNERSHIP

Annual Report 2015-16



ALBERTA  
OMBUDSMAN

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# OUR VISION

Equitable treatment for all.

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# OUR MISSION

The Alberta Ombudsman provides oversight of the provincial government 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

Albertans expect fair treatment from our public institutions. When things go awry they expect those public institutions to take responsibility – indeed, to take ownership – of those situations.

We not only share that expectation, our office plays an important role ensuring ownership is taken if we investigate a complaint of unfair treatment and find that improvements to a government program, policy or service can be made.

For our office – and, we hope, for the public entities we investigate – taking ownership can mean a number of things. Correcting mistakes. Improving employee training. Following policies and procedures. Treating individuals with respect and without bias. Being open and transparent with decisions and explanations.

The Alberta Ombudsman’s core role is to provide neutral third party oversight when an individual complains to our office about unfair treatment. Make no mistake: we don’t replace decision-makers with our recommendations. That’s up to the public entities. By working as an independent office that strives to promote fair treatment, we are uniquely situated to address those instances where standards of fairness fall short – and work with the public, and public entities, to ensure the right people are taking ownership.

On a personal note, 2016 will mark my final year as Alberta’s eighth Ombudsman. It has been an honour and a pleasure to serve as Ombudsman. From 1967 onwards, my predecessors worked diligently to build the office, and worked to earn the trust of Albertans across the province. I have been gratified to follow in their footsteps and do my part to contribute to the growth and development of the office in Alberta.

We have worked collectively over the past five years to deliver a number of changes and accomplishments, building off the success and achievements of previous years. We reorganized the office and implemented a new organizational structure. We have a very good mix of investigators in both Calgary and Edmonton, drawing on experience from government, policing, journalism and other independent offices of the legislative assembly. Our reorganization also entailed developing a number of working teams, including an Own Motion Team that researches and analyzes systemic issues (see more about their work on page 27).

Improving our technological capabilities was another strategic objective and the implementation last year of a new case management system has allowed our investigators and analysts to improve our overall information flow. Building off an updated website with online complaint forms, this new case management system has moved the office even closer to being paperless.

We continue to take a positive and collaborative approach with the entities under our jurisdiction. It has been my belief that maintaining positive professional relationships with those entities helps ensure smooth, efficient and cooperative investigations – an outcome that benefits all Albertans, whether it serves to assist the complainant directly or ends up positively impacting a benefit recipient down the road.

Work has also continued on education and outreach with decision-makers in government and other public entities. Our focus, on that front, has been to improve the understanding of procedural and administrative fairness and our investigators have been busy meeting with employees from various departments. So far, civil servants are providing positive and enthusiastic feedback and find value in learning how we do our work – and how they can help deliver better service to Albertans.

More broadly speaking on outreach and communications, we have revamped our efforts in recent years. We have introduced an enhanced website with resources and online complaint forms, launched a Twitter account, introduced quarterly statistical reporting to the entities we receive complaints about, and distribute periodic bulletins outlining our recent work. Of course, we have also been consistently visiting communities outside Edmonton and Calgary, with the goal of providing face-to-face access to investigators in regions that may not otherwise have direct access to our staff.

Perhaps the biggest change we have been working towards this past fiscal year is our possible role within an amended *Municipal Government Act*. As the Alberta government has indicated strongly this past year, it appears likely municipalities may come under jurisdiction of the Ombudsman. While there have been concerns and questions from some municipalities and their related organizations, I believe time and experience will demonstrate the benefits to be had through an outside body, like our office, providing a consistent and objective perspective on fairness.

As I mentioned at the outset, our office does not replace the role of decision-makers at any level of government, including municipalities. We provide recommendations to public entities so they can address the complaint of unfair treatment. Again, this is about ensuring the proper authorities take ownership of problems – and deliver appropriate solutions.

Speaking of improvements, I have continued to advocate for changes to the provincial *Ombudsman Act*. In short, this legislation should be updated to reflect the realities of the 21st century and reflect a clear understanding of issues facing Albertans and our public entities. Our province has changed over the past 50 years, and, like renovating an older house, there are aspects of the Act that require modernization and tweaking.

On a final point, I am pleased to note our office has plans underway to celebrate our 50<sup>TH</sup> anniversary in 2017. We aim to highlight Alberta and its contributions to the Ombudsman world and the contributions the Ombudsman's office has made to Alberta.

Overall, I believe the future looks positive. While there is always room to improve and work to continue, the office of the Alberta Ombudsman, and its mission to improve fair treatment for Albertans, remains on solid ground as it enters a new chapter in its existence. Through our strategic planning process and our day-to-day operational activities, we remain poised to respond to changing needs, and adapt to whatever environment we collectively find ourselves in.



Peter Hourihan  
Alberta Ombudsman





# OUR ROLE

The Alberta Ombudsman has the authority to investigate decisions, actions and recommendations made by a jurisdictional authority. Individuals who have concerns or complaints about the fairness of administrative actions by Alberta government departments, agencies, boards, commissions, designated professional organizations and the patient concerns resolution process of Alberta Health Services may bring these matters to the Ombudsman. Contact may be made by a phone call to the office, through a letter, through the online complaint form located on our website, or in person.

If the initial contact is made by phone, the call will be directed to an intake officer who determines the caller's issues and whether the concern is with an agency jurisdictional to the Ombudsman. If the concern is not jurisdictional, the caller is referred to the appropriate source for information or assistance.

## APPEAL MECHANISMS

The caller may have a concern regarding the actions of a jurisdictional body but may not have used all available appeal processes. The *Ombudsman Act* requires complainants to pursue resolution through these processes before seeking help from the Ombudsman. If all appeal processes are not exhausted, the intake officer will provide information on options and processes available to the caller.

Callers with a jurisdictional complaint who have completed the appeal processes may be able to resolve their complaint through informal resolution. For example, the caller may be an inmate who brought a concern to the correctional centre director but has not received a response. Rather than ask the inmate to make a formal written complaint to the Ombudsman, the intake officer may contact the director, provide information and inquire about the status of the inmate's concern. The intake officer may determine the director's response was sent but not received or the call

may prompt a more timely response to the inmate. Whatever the outcome, such informal action by our office is an attempt to successfully resolve the issue in a timely fashion.

For all other oral complaints, the intake officer explains the process of making a written complaint by online complaint form or by letter. The caller is advised of the process that occurs once the Ombudsman receives a written complaint.

## Complaint analysis

The *Ombudsman Act* states all complaints to the Ombudsman shall be in writing. A complaints analyst reviews written complaints. The analyst will consider whether:

- The complaint is about a department or entity under the authority of the *Ombudsman Act*
- The complainant has exhausted all avenues of appeal
- The complaint is a matter before the courts
- The complainant has been directly affected by the action or decision being complained about
- The complainant has third party representation
- The complainant has come forward in a timely manner

The analyst will also identify the issues within the complaint. Anonymous complaints are not acted upon.

If the Ombudsman accepts the complaint, there are two options for resolution: an Alternative Complaint Resolution (ACR) may be attempted or the matter may proceed to a formal investigation. In both cases, the file is assigned to an investigator.

## Alternative complaint resolution

The ACR process is a less formal process for handling complaints. It may be pursued for the following complaints:

- Those which may have a reasonable chance of resolution within 21 days
- Those which involve fewer or less complex issues and are specific to the complainant
- Where a less formal complaint resolution would be appropriate

In order to proceed with an ACR, the process must be agreed to by both the complainant and the complained-about authority. After the issues are clarified with the complainant, an authority representative is contacted and possible avenues of resolution are discussed. Examples of potential resolutions include the provision of additional information exchanged between parties or negotiation of further actions by either party.

The Ombudsman's investigator facilitates the complaint resolution but does not advocate for the interests of either party. If the matter is successfully resolved, the file is closed. If ACR is unsuccessful, the matter is reconsidered for formal investigation.

## Formal investigation

A formal investigation begins with correspondence to the complainant and the Deputy Minister responsible for the department or the head of the authority. If the complaint involves actions of more than one entity, files are opened with each. The correspondence outlines the parameters of the issues for investigation and the letter to the department usually includes a copy of the complaint letter or the details from the online complaint form. The department is asked to provide a written response, which should include all relevant documentation, policy and legislation.

The investigator reviews this response and file materials relevant to the complaint and interviews appropriate entity staff members to determine if there is additional information related to the identified issues. The investigator also interviews the complainant to obtain any additional information or clarification of the issues. The investigator may interview anyone believed to have information relevant to the investigation and request copies of all pertinent documents the complainant or others may have in their possession.

Once all information is gathered, the investigator analyzes the information based on the principles of administrative fairness and prepares an investigation report. This report identifies the issues investigated and provides background for the complaint. Information relevant to each issue is described and analyzed, and conclusions explained. Based on the analysis and conclusions, the investigator proposes a resolution for each issue to the Ombudsman.

## Administrative unfairness

If administrative unfairness is identified, the issue is supported. The issue is not supported if the actions or decisions do not demonstrate administrative unfairness and are consistent with legislation, policy and the principles of administrative fairness. For administratively unfair issues, the Ombudsman recommends a remedy that must be consistent with the nature of the unfairness.

For example, if a decision was written in an administratively unfair manner, the Ombudsman may recommend the decision be rewritten or amended to rectify the deficiencies. If a hearing was conducted in an administratively unfair manner, the Ombudsman may recommend the decision be set aside and a new hearing held.

## Investigation conclusion

At the conclusion of the investigation, the Ombudsman reports his findings on unsupported complaints to the complainant and the department or entity investigated. The decision identifies each issue investigated as well as the findings or conclusions.

On supported complaints, the Ombudsman shares his findings and recommendations with the Deputy Minister of the department or agency head and gives that person the opportunity to respond. When the Ombudsman makes a recommendation, he relies on the power of persuasion as he does not have the authority to require an action. There are occasions when the Deputy Minister or agency head agrees with the findings of administrative unfairness but will offer a different option for resolution. The recommendation for final resolution will be one that is acceptable to both the Ombudsman and the Deputy Minister or authority head. Once agreement is reached on a resolution, the conclusion is shared with the complainant. On the very rare occasion when no agreement is reached between the Ombudsman and the Deputy Minister or agency head, the Ombudsman has the power to report to the Minister, the Lieutenant Governor in Council and, ultimately, to the legislature.



Most recommendations for resolution result in an action that directly impacts the complainant. Other recommendations correct a systemic issue that affects more than one person and improves the process or system within a department or agency.

## Own motion investigations

The Ombudsman has an additional investigative power to conduct an own motion investigation, initiated at his own discretion. For example, an own motion investigation may result from a number of questions about the administrative fairness of a program that have come to the Ombudsman's attention through various investigations. When commencing an own motion investigation, the Ombudsman advises the Minister as well as the public and reports publicly on his findings upon conclusion.

## Committee-referred or ministerial-ordered investigations

The *Ombudsman Act* contains two other ways in which the Ombudsman may commence an investigation: a committee of the Legislative Assembly may refer a matter to the Ombudsman for investigation or a Minister of the Crown may order the Ombudsman to conduct an investigation.



# WHAT IS ADMINISTRATIVE FAIRNESS?

Natural justice and administrative fairness are at the core of Ombudsman investigations. Natural justice is to administrative fairness what due process is to criminal law. For example, if an accused is not informed of his or her rights, there is an error in process. Similarly, if an individual is denied a service but is not informed of their right to appeal, the process is flawed.

The application of administrative fairness in decision-making affects people in a variety of ways. They range from administrative tribunal decisions (including workers' compensation benefits, income support benefits, or disciplinary sanctions for inmates in provincial correctional centers), to situations where there is a less formal (or no formal) process.

The Alberta Ombudsman uses the following guidelines to assess whether a situation has been dealt with in an administratively fair manner.

## Chain of legislative authority

What legislation created the authority or power to make a decision? And who can make that decision?

The powers of government departments, agencies, boards, commissions, designated professional organizations and the patient concerns resolution process of Alberta Health Services are derived from statute. Legislation may grant the organization the ability to make decisions, or it may grant the decision-maker the authority to exercise discretion based on parameters set out in legislation or in policy.

Another element of chain of legislative authority is the understanding of the decision-maker. The decision-maker must be able to understand he or she has authority to make a decision, and that the decision is consistent with legislation, regulation or policy.

## Duty of fairness

Duty of fairness means there must be procedural fairness in decision-making. Greater procedural protection is required if there is:

- No right of appeal established within a statute
- No further appeal mechanism within a department, agency, board or professional body
- A substantial effect on an individual's rights (such as loss of financial benefits)

Decisions made by administrative bodies often have a more immediate and profound impact on people's lives than a court decision. Flowing from these decisions is a duty to act fairly and to make procedurally fair decisions.

The duty of fairness is flexible, depending on the statute involved and the nature of the decision. The degree of fairness depends on the effect of the decision on the rights of the individual and whether legislation established an avenue of appeal.

## Participation rights

Was the individual given a full and fair opportunity to present his or her case to the decision-maker? Was there full disclosure of the case against the person to the person?

A decision-maker should ensure a person has sufficient time to respond when requesting information. A tribunal should also invite all parties to provide written submissions or present orally at a hearing. These actions provide a meaningful opportunity to be heard.

## Adequate reasons

Canadian courts impose a common law obligation on administrative decision-makers to provide adequate reasons.

There must be a rational connection between the evidence presented and the conclusions reached by the decision-maker. The decision-maker should be able to answer the question, “Why did you make that decision?”

It is not enough to outline the evidence and arguments made by the parties. There must be a rational connection drawn between evidence and conclusions, including a clear explanation of how relevant legislation, regulation or policy was applied. Decision-makers should also be able to explain what evidence was rejected, and why it was rejected. A well-written decision must address the major arguments raised by all parties. While decision-makers are not required to address every point or piece of evidence, they must address the major evidence they relied on (or rejected) to make the decision.

## Apprehension of bias

Decision-makers must demonstrate impartiality and independence when making decisions. “Impartial” applies to the state of mind or attitude of the decision-maker so there is no bias, either real or perceived. Impartial decisions are based on objective criteria. To be “independent,”

the decision-maker must be free from interference by the executive and legislative branches of government and from other external forces, such as business interests, corporate interests or other pressure groups.

Decision-makers should declare real or perceived conflicts of interest. The appearance of impartiality is necessary to maintain confidence in the decision-making process. In cases where it appears decision-makers are not objective, even when they feel they could make an unbiased and fair decision, they must disclose the potential conflict or excuse themselves from the case.

Decision-makers should guard against forming opinions about the person or the case before reviewing the documentation and hearing from all parties. An appearance of bias might result from the behaviour of a decision-maker at a hearing, such as repeatedly silencing a party or behaving in an aggressive or sarcastic manner. If the decision-maker was involved in the case prior to the hearing, it may appear they have prejudged the matter.

## Legitimate expectation

The principle that regular practices or promises of an administrative decision-maker should be considered forms the basis of legitimate expectation. For example, a person has a legitimate expectation a submitted application form will be processed.

When a person challenges a decision, it is administratively fair for the decision-maker to honour promises made about following procedure, unless the decision-maker is unable to do so. In that case, the decision-maker must ensure the decision is made as fairly as possible. Failing to meet legitimate expectations may be as simple as an official failing to follow through after agreeing to take action or write a decision letter; it becomes more complex if the authority fails to follow what may be considered a regular process without explanation, therefore treating an individual in an unfair manner.



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Peter Hourihan, the Alberta Ombudsman, met with the Edmonton Immigrant Services Association in March to share information about how our office works.

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## Exercising discretionary power

Discretionary decision-making can be established in policies, legislation and guidelines. Discretionary decisions cannot be made in bad faith, for an improper purpose, or based on irrelevant considerations. Although decision-makers enjoy considerable deference which allows them to make their own decisions and determine the scope of their jurisdiction, discretion must still be exercised within a reasonable interpretation of legislation.

When exercising discretionary decision-making powers, the decision-maker must do only what he or she is authorized to carry out.

## Was the decision reasonable?

This final fairness guideline is one that flows through all our investigations. A reasonable decision does not equate to whether the decision is wrong or whether a different conclusion could have been reached. Rather, a reasonable decision shows how the decision-maker considered and assessed the arguments and evidence. If this does not appear in the decision, the complainant is left wondering how their circumstance was considered.

# 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 investigators are independent and impartial. They 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, explained here:

- 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 and commissions 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 like 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?

We refer to the bodies we can investigate as “authorities.” 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 accountants, veterinarians, agrologists and foresters)
- Health professions 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 or Crown solicitors or other lawyers
- 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
- 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, and utilities)
- School boards
- Post-secondary institutions (e.g., universities, colleges or technical schools)

## 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 potential next 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 his 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](mailto:info@ombudsman.ab.ca) or use our online complaint form located on our website at [www.ombudsman.ab.ca](http://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 number) 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 a 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 take the opportunity to respond to the complaint.

## 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 widely 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 an independent and impartial investigation has occurred.

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

No. An investigation report is an internal document prepared by an Ombudsman investigator. It contains information compelled 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 considers in the public interest.

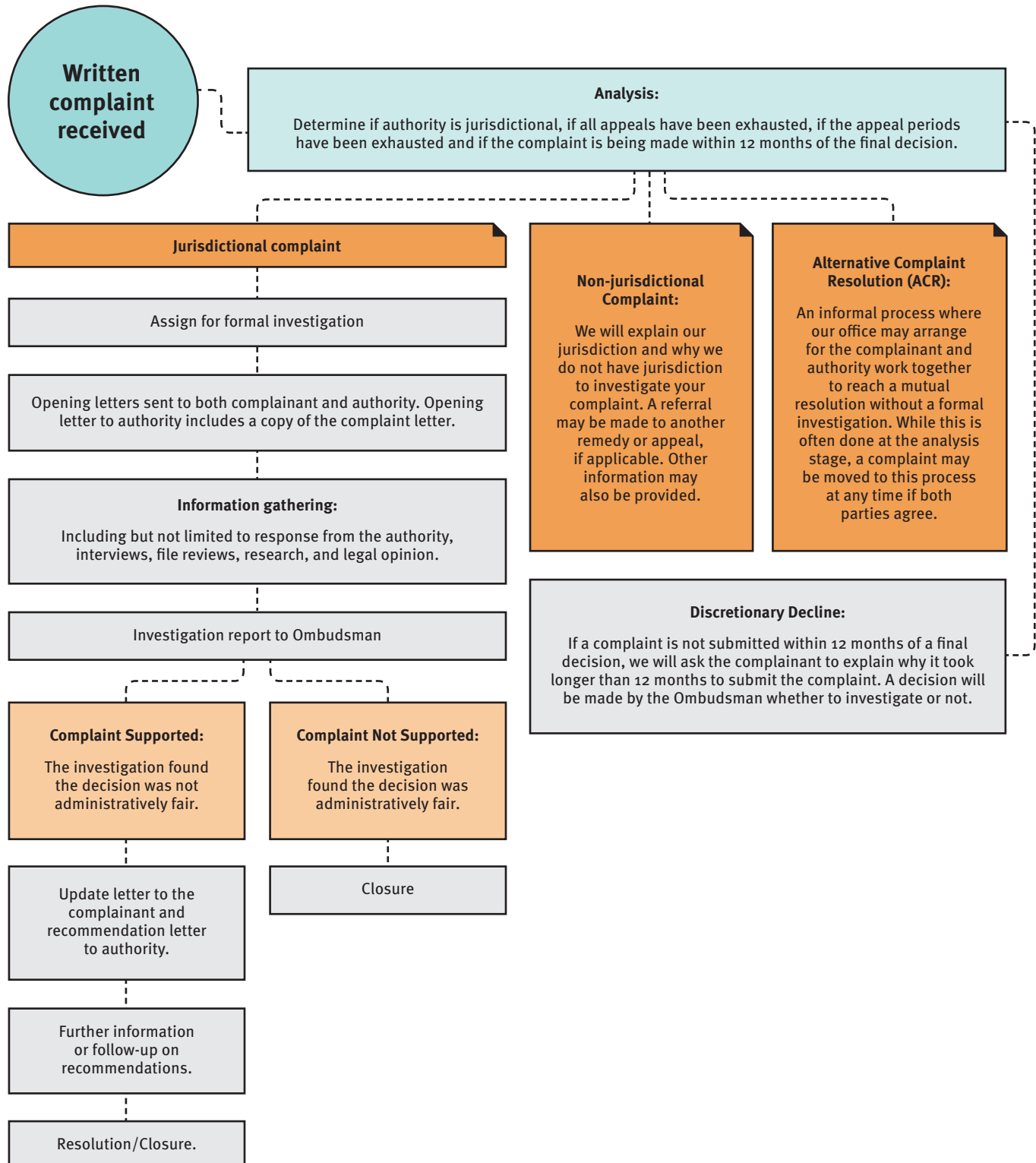
### Who investigates the Ombudsman?

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 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

Our strategic planning process is designed to respond to changes to both the work our office carries out and the environment we operate within. This planning process guides our efforts in effectively carrying out our work promoting fair treatment for all Albertans when interacting with provincial government departments and authorities.

We ensure our strategic planning process remains dynamic and involves our employees. It includes an ongoing review focused on results and the ongoing applicability of the strategies to confirm we are meeting not only our goals but also the expectations of Albertans. This approach gives us the flexibility to incorporate new priorities as required, and move other priorities into the realm of day-to-day management.

On other fronts, we continue to make progress on our strategic priorities. We reach out to communities across

the province, ensuring we give those rural or remote Albertans an opportunity to connect face-to-face with an investigator, provide information sessions to interested groups and meet with MLA constituency office staff.

Our strategic plan provides a roadmap for the Alberta Ombudsman. Our priorities allow each Ombudsman employee to understand what we are trying to achieve as an organization and how their work contributes to those goals. Through this approach we will deliver on our vision of “Equitable treatment for all.”

## STRATEGIC PRIORITY ONE: Enhanced outreach and awareness of the Alberta Ombudsman

**GOAL:** Enhanced awareness of the Alberta Ombudsman's office with government authorities

### 2015-16 TARGETS:

- Meet with Deputy Ministers, authority heads and MLA constituency offices as needs arise
- Develop quarterly activity reports for government authorities
- Assess effectiveness of quarterly newsletter
- Prepare for 50th anniversary of the Alberta Ombudsman

### RESULTS:

- Ombudsman and Deputy Ombudsman held 19 meetings with Deputy Ministers, authority heads, and MLA constituency offices.
- Quarterly report templates, statistics and distribution list prepared; reports issued in each quarter of 2015-16 to 22 agencies, boards and commissions, 17 Government of Alberta departments, and 13 professional organizations under the Ombudsman's jurisdiction.
- In 2014-15, four issues of the quarterly e-newsletters were distributed to target audience across provincial government, MLAs, AHS and other authorities. Subscription levels rose slightly with no drop-off; occasional requests to reprint and distribute articles to other ministry/professional college employees. In 2015-16, the Ombudsman suspended distribution due to staffing vacancy. Resumption of the e-newsletter is expected towards the end of calendar year 2016, pending a revised assessment of the publication's effectiveness.
- Work with the national Forum of Canadian Ombudsman and the Association of Canadian College and University Ombudspersons (ACCUO) on the May 2015 celebration of 50 years of ombudsman presence in Canada was leveraged in preparation for our own office's anniversary. We also engaged in plans for the coming year; a shortlist of events has been developed and appropriate budget and staffing/resource capacity analysis to be finalized before end of calendar year.

**GOAL:** Increased awareness and outreach with Albertans

### 2015-16 TARGETS:

- Presentations and community mobile intake visits
- Explore social media
- Survey Albertans on awareness

### RESULTS:

- We held 43 presentations, visited eight communities, and hosted six mobile intake days (within seven mobile intake tours) across the province in communities including Drayton Valley, Rocky Mountain House, Canmore, High River, and Vermillion. (A presentation in Lloydminster was conducted jointly with the Saskatchewan Ombudsman's office.)
- Appropriate social media platforms have been adopted. Analysis is ongoing.
- Our 2014-15 survey plans were suspended following a budget reduction and subsequent cost-cutting measures beginning in November 2014. Those plans remain suspended.

## STRATEGIC PRIORITY TWO: Provide an excellent service

**GOAL:** Conduct thorough and accurate investigations

### 2015-16 TARGETS:

- Conduct evaluation of performance
- Create own motion identification protocols
- Implement a new electronic case management system (CMS)

### RESULTS:

- Investigative performance evaluation has been completed. We continue to monitor key performance indicators and benchmarks.
- The own motion identification protocols have been created following the successful implementation of a new CMS. This has allowed our team to conduct trend analysis, apply STAR analysis, and ultimately guides planning and research activities for the Own Motion Team and the Ombudsman's Analysis Unit.

- CMS implementation and training has been completed. Assessment on its effectiveness is ongoing as we reach various reporting and analytical milestones throughout the fiscal year.

**GOAL:** Provide effective communication of investigative findings

**2015-16 TARGETS:**

- Analyze intake and investigation processes to identify appropriate strategies
- Conduct evaluation of performance in communicating investigation findings
- Identify opportunities for the Analysis Unit to assist investigations

**RESULTS:**

- Intake and investigation process analysis has been completed, including the development of new benchmarks. This incorporates new Key Performance Indicators to measure those benchmarks, including percentages of: calls answered or responded to in one business day; written complaints answered within 14 days of receipt; investigation cases completed within one year of assignment, etc.
- We have developed Key Performance Indicators for the completion of thorough, timely and accurate investigations.
- Work continues to develop opportunities for the Analysis Unit to assist with investigations, including a catalogued list of requests the unit receives from investigators and the executive team. This ranges from the normal triage of complaints to requests for statistics on various entities or regions, jurisdictional reviews, historical analysis and case history, and legislative reviews.

## STRATEGIC PRIORITY THREE: Legislative Review

**GOAL:** *Ombudsman Act* review

**2015-16 TARGETS:**

- Review of the *Ombudsman Act* in concert with two-year review of the *Public Interest Disclosure (Whistleblower Protection) Act* review by the Standing Committee on Legislative Offices.

**RESULTS:**

- The Ombudsman's legal counsel led a comprehensive review of the Act and examined gaps in current legislation. That review is complete. However, the request for review through the appropriate committee of the Legislative Assembly has been pushed to 2016-17. This is because our focus was on a parallel review of the *Public Interest Disclosure (Whistleblower Protection) Act*, the governing legislation of the office of the Public Interest Commissioner, as well as work on the Ombudsman's role in the expanded *Municipal Government Act*.
- Work remains ongoing on issue identification regarding the Ombudsman's jurisdiction.
- A jurisdictional scan was completed. Upon further analysis, our office will liaise with the appropriate government/Legislative Assembly body.





# CASE SUMMARIES

## **ERRORS FOUND IN AISH APPEAL PANEL DECISION; INVESTIGATION LEADS TO OVERPAYMENT FORGIVENESS**

A client of the Assured Income for the Severely Handicapped (AISH) program complained about an AISH Appeal Panel decision he believed created an apprehension of bias. This bias was found in the panel's written decision. The most significant example of bias was a sentence claiming the client displayed "considerable hostility" toward the panel. In response to our findings, the provincial chair for AISH Appeal Panels committed to provide training to panel members to ensure future hearings are unbiased.

The client also argued an overpayment due to a program error should be forgiven. The power to forgive or waive collection of an overpayment is delegated by the Minister to the Executive Director of the AISH program. The issue was resolved when the complainant was invited to submit an application to the Executive Director to forgive the overpayment. In addition, we found a factual mistake was presented by the program to the AISH Appeal Panel and we recommended the mistake be corrected prior to consideration by the Executive Director.

The investigation resolved another important issue. For some time, the Ombudsman has pointed out AISH clients are not told when they are assessed an overpayment that they may present reasons to the Executive Director why they should not repay. This failure to consistently notify clients of this right for a review is unfair, as all clients should have the same opportunity.

The program has developed a new template letter to inform clients of their right to request a waiver to repay an overpayment.



## Pay assessment complaint shows failure to follow process

***Albertans have a legitimate expectation that a process involving a government program or service will be followed – and when it isn't, this is unfair.***

This occurred when an employee of the Agriculture Financial Services Corporation (AFSC) complained she received an unfair decision from the organization's pay level assessment committee regarding her classification and salary. The complainant submitted her assessment application following a new pay level assessment process.

Our investigation found the committee did not follow its new process. We also determined the decision failed to identify evidence considered or include adequate reasons for the decision made. Canadian courts impose a common law obligation on administrative decision-makers to provide adequate reasons. The reasons should allow the person to understand why a decision was made.

The Ombudsman made four recommendations to the committee; all were accepted. The committee provided the complainant with a new letter addressing the issues of administrative fairness identified. The AFSC committed to sharing the issues identified in our investigation with members of the committee for future reference. Additionally, the committee is considering developing an appeal process and is conducting an audit on the latest quarterly pay level assessments to determine whether the process was followed.

## Inmate complaint reveals correctional centre handled situation fairly

***An inmate complained staff at a provincial correctional centre refused to allow him to communicate with his common-law partner, who was remanded in the same facility.***

Our investigation found the response to the complaint lacked sufficient information for the complainant to understand the steps and information necessary for administration to properly consider and authorize the

request. The correctional centre acknowledged its response to the complaint should have been more detailed. As we looked into the complaint, it became clear that correctional centre staff addressed the issue directly with the complainant. They met with him to discuss the situation and provided additional information. The correctional centre also took steps to prevent similar complaints from happening in the future.

As the administrative unfairness was remedied by the correctional centre, the Ombudsman determined no further action was needed. It is important to recognize and encourage instances where a provincial authority realizes it has not been fair and takes corrective actions on its own initiative.

## ATB fee reimbursed following procedural error

***An ATB Financial customer complained about a decision the bank made regarding fees related to interim financing. The complainant stated ATB incorrectly calculated the principle amount borrowed, miscalculated the interest rate, and failed to disclose the borrowing fee.***

The customer's complaint was elevated through ATB's complaint resolution process, and the complainant was dissatisfied with the response she received. Our investigation found no evidence of administrative unfairness regarding the amount borrowed and the interest rate calculated. However, our investigation determined ATB's decision was not administratively fair as a procedural error was made regarding the borrowing fee.

We recommended ATB provide the complainant with a full explanation of the response from the complaint resolution process and obtain signed consent from clients to ensure they are aware when significant fees are charged. ATB accepted the recommendations and refunded the borrowing fee to the complainant.

## Information lacking in AISH complaint

*An Assured Income for the Severely Handicapped (AISH) client complained about a decision made by the former Citizens' Appeal Panel to uphold a decision to deny AISH benefits.*

Our investigation found the complainant was not given adequate time to review the appeal package and provide new information to the department of Human Services prior to the hearing. In addition, we determined the complainant did not receive the final review decision from the department until the hearing. This limited the complainant's ability to consider the decision and prepare arguments.

We also found the written decision of the panel did not explain how it considered the evidence or provide adequate reasons for the decision. We recommended a new hearing with a new panel. Ultimately, a new panel reversed the decision of the director, resulting in AISH benefits being awarded to the complainant.

## Study note rules not communicated fairly

*A student complained the department of Education invalidated a provincial diploma exam she had written. The department stated its decision was due to unauthorized study notes the student had with her in the exam room. The complainant disagreed, saying the paper she took into the exam room was blank and only used for notes.*

Our investigation determined the relevant regulation does not permit any paper inside the exam room. The complainant was not aware of this rule. While the department fairly applied the regulation to invalidate the exam, it was incorrect to say the invalidation was due to unauthorized study notes. Instead, the correct reason was that no paper of any kind is allowed into the exam room.

The Ombudsman made three recommendations, and all were accepted. The department provided the complainant with a correction to the invalidation reason and an apology letter. The department also enhanced its communication of the diploma exam rules, including making changes to its website to better reflect exam rules and improve student access to the rules.

## Rules followed, but poor communication with inmate leads to changes

*An inmate complained he was denied access to personal documents held in property by a correctional centre. Moreover, the inmate alleged he was not provided with reasons for the denial. The inmate requested copies be made of several documents, including a short story he authored as well as certificates and diplomas that had been mailed to him.*

Our investigation found the correctional centre had legal authority to review mailed documents and withhold them, as well as decline the inmate's request to make copies. The inmate was consistently advised, per policy, he could not be provided an original or a copy of the short story due to security reasons.

However, we found several procedural errors: property staff responded to inmate requests to access property instead of referring the inmate to security; paperwork was not filed appropriately after a response was provided to inmate requests; and, the complainant was not provided with a reason why his personal documents were withheld.

The correctional centre accepted all the Ombudsman's recommendations. Changes were implemented based on our recommendations, and the inmate received copies of the requested documents and a detailed explanation of why the requests were initially denied. This case is an example where an authority has made a decision consistent with legislation or policy but has not provided adequate reasons for the decision.

## Consumer Services enforcement leads to complaints; department acted properly but should have explained its decisions

*A homeowner complained about the administrative fairness of an investigation by the department of Service Alberta's Consumer Services branch relating to the actions of a contractor and the response provided to the complainant. The department conducted two investigations into the matter as the complainant was not satisfied after the first investigation.*

Our investigation concluded there were several procedural issues with the department's process. The first investigation was not documented according to policy, and no analysis of the evidence and legislation was included. This resulted in a misapplication of the legislation. Furthermore, the required review upon closure of the investigation was not conducted in a manner consistent with policy. Service Alberta's second investigation was well documented and offered clear analysis of the evidence and rationale linked to the legislation.

The complainant remained dissatisfied with the lack of enforcement steps taken by the department. Our investigation found no concerns of bad faith, improper purpose or irrelevant considerations. Department investigators have discretion to recommend enforcement action based on circumstances of a specific file. We found the department exercised its discretion appropriately, but failed to fully explain to the complainant how that discretion was exercised.

Service Alberta accepted our recommendation to provide the complainant written explanations detailing several aspects of the department's investigation.

## Better response required from Child and Family Services

***A parent complained to Child and Family Services (CFS) about what she felt was inappropriate conduct by a staff member during a meeting, and what she alleged were false accusations against her family.***

Unhappy with CFS's response to her complaint, she contacted our office. Our investigation determined CFS's response did not adequately address either of the complainant's concerns. It did not provide sufficient detail of steps taken to review her concerns and did not indicate whether CFS determined the complaint had merit.

We recommended CFS write the complainant again to provide a more detailed response to her concerns. CFS accepted this recommendation, and a new letter was sent to the complainant.

## Previous Ombudsman recommendations not communicated internally by Mental Health Review Panel

***A patient complained the Mental Health Review Panel unfairly refused to cancel admission and treatment certificates. Our investigation determined the process was not administratively fair.***

Our investigation revealed previous Ombudsman recommendations had not been shared with other panel members. As a result, we repeated earlier recommendations, including:

- Signing and dating the decision;
- Providing an explanation in the decision explaining how the complainants' arguments were considered; and
- Developing a decision document template.

We also recommended the panel establish a formal protocol of distributing future recommendations to colleagues, distributing previous recommendations made by our office (and specific to this case), and correcting errors in dates, times and names of doctors and hospitals.

Sometimes recommendations from our office are accepted but not successfully communicated to decision-makers within the organization, which may result in subsequent decisions that are not administratively fair.

The panel has not provided our office with a response to our recommendations as of the date of this report.

## Income Support investigation leads to exemption recommendation

***There are times when the Ombudsman makes an observation to an authority about a systemic issue, even if we find a specific decision is administratively fair.***

This happened when we looked into a case involving an Income Support program client. This individual complained the program's appeal panel unfairly confirmed a decision by the department of Human Services to not exempt a Non-Economic Loss Payment (NELP) received from the Alberta Workers' Compensation Board. This payment could

not be exempted because it was not listed as exempt income in Schedule 2 of the *Income Support, Training and Health Benefits Regulation*. Because the appeal panel must follow the legislation, the client's income support benefits were reduced.

While we did not support the complaint, the Ombudsman wrote to the Deputy Minister of Human Services, pointing out a NELP is a one-time payment designed to compensate for a lifetime loss of bodily function. The Ombudsman also suggested the department consider adding NELPs to the Schedule in the future. Several similar types of one-time payments are not considered in calculating income support benefits.

The Deputy Minister agreed the suggestion to exempt NELPs would be considered by the committee reviewing income support programs.

## Incorrect application of legal authority sparks new examination of professional college

***An individual complained about the response of the Alberta College of Social Workers after a complaint of unprofessional conduct was filed against a regulated member.***

Our investigation determined the incorrect section of the *Health Professions Act* was referenced in the decision letter, and the complainant was not afforded the right of review by the complaint review committee established under the legislation. In its response to the complainant, the college indicated a different reason for the dismissal of the complaint.

Because the original decision was fundamentally unfair due to the use of the incorrect section of the legislation, we recommended the original decision be rescinded and the college re-examine the complaint. The college agreed, re-examined the complaint and issued a new decision letter to the complainant.

## Fairness found in professional college's response to unprofessional conduct complaint

***A client of a practicing psychologist complained about the decision of the hearing tribunal for the College of Alberta Psychologists in response to a complaint of unprofessional conduct by a regulated member. We investigated the administrative fairness of the decision of the hearing tribunal to accept the admission of guilt of the regulated member with respect to some of the charges in exchange for the college agreeing to drop other charges.***

Our investigation found the hearing tribunal had the authority under the *Health Professions Act* to determine how it addresses admissions of unprofessional conduct, provided the process is procedurally fair.

In this case, we determined the admission was considered, evaluated and accepted by the hearing tribunal resulting in a finding of unprofessional conduct. We found the decision of the hearing tribunal clearly outlined the evidence before it and how it weighed and considered this evidence in making its decision. We determined the written decision met the requirements set forth in the *Health Professions Act* and was administratively fair.

We also found the college's response to the complainant's concerns about the investigation and his disagreement with the decision was administratively fair. The response addressed the outstanding issues raised, provided an adequate explanation of the process and the college's findings.



## Ombudsman determines public complaint taken seriously by LERB

*An individual complained about the fairness of a Law Enforcement Review Board (LERB) decision to dismiss an appeal made by the complainant and confirm a decision of a municipal police service chief. The complainant alleged the LERB did not take his concerns seriously, falsified evidence and misrepresented his complaint.*

Our investigation found the LERB fairly applied the *Police Act* when considering the complaint and made every effort to accommodate the complainant. The complainant insisted on written communication with the LERB only, a request they respected by conducting a documentary hearing and providing all information to the complainant in writing. We found no evidence of minimization of the complainant's concerns, falsification or the exclusion of any evidence.

The LERB decision described the applicable case law considered, the evidence considered, the issues of the appeal which were not within its jurisdiction to consider, relevant case law and reasons for the decision.

## AISH Appeal Panel holds new hearing for client following investigation

*A client of the Assured Income for the Severely Handicapped (AISH) program complained about the administrative fairness of an AISH Appeal Panel decision. The complainant's benefits were terminated by the AISH program after his asset level rose above the \$100,000 threshold.*

After a new primary residence was purchased, his asset level dropped below the threshold amount, and he re-applied for AISH benefits. He was approved, but the effective date was six months after the asset level had dropped below the threshold amount, so he appealed the start date to the panel. The panel ultimately confirmed the original decision of the AISH program.

Our investigation found the panel made several administrative errors in its written decision. It failed to provide sufficient analysis of the evidence; did not address any arguments put forward by the complainant and his representatives; and did not have access to all relevant evidence at the time of the hearing.

Based on these findings, we recommended the panel re-hear the matter. The recommendation was accepted by the department, and a new hearing was conducted.

## Tracking and logging complaints a must, investigation confirms

*The mother of a child in government care filed several written complaints about caseworkers she dealt with and met with a director at Child and Family Services to discuss her concerns. She received no response or follow-up after the meeting regarding her complaints, so she filed a complaint with the Ombudsman.*

Our investigation found that while all parties acknowledged the meeting took place, no case notes from the meeting were recorded and no copies of her written complaints were filed. Our investigation also determined proper follow-up with the complainant did not occur.

We recommended Child and Family Services provide a letter of apology to the complainant acknowledging the inadequate response she received to the concerns she registered with the department. Additionally, recommendations were made for government to create a policy outlining protocol to log and track complaints to ensure adequate follow-up and responses are completed. Our recommendations were accepted and an apology letter was issued. We continue to follow-up regarding logging and tracking.

## CHANGES TO RESIDENTIAL TENANCY DISPUTE RESOLUTION SERVICE

Service Alberta's Residential Tenancy Dispute Resolution Service (RTDRS) is a tribunal that gives landlords and tenants a cost-effective method to settle matters without going to court. Either a landlord or a tenant may apply for a hearing. While there is a fee associated to make the application, low-income Albertans may ask for the fee to be reduced or waived. The tribunal may accept applications under the *Residential Tenancies Act* for amounts up to \$50,000. A Tenancy Dispute Officer (TDO) will conduct a hearing, make a decision, and issue a binding order which is filed at Court of Queen's Bench.

Our office became aware of changes to the Residential Tenancy Dispute Resolution Service Regulation that will create a new process for requesting a review of an order.

The TDOs will have the authority to stay, vary, or set aside tribunal orders and re-hear applications where a natural justice issue is determined (e.g., insufficient notice or non-attendance for reasons beyond the individual's control). This will have the effect of removing a significant burden on the Court of Queen's Bench, as appeals would be dealt with in-house. The right to appeal to the Court of Queen's Bench if the party believes there is an error in law or jurisdiction will still exist.

The RTDRS currently handles upwards of 8,500 hearing applications annually. Summarized below are the first two investigations our office has conducted into complaints about the service.

## RTDRS Case 1

***An inmate complained about the fairness of a decision made by the tribunal regarding a rental problem that occurred prior to his incarceration. He argued the decision was unfair because although arrangements had been made for him to participate in a hearing via telephone, when the connection could not be made at the time of the hearing, it proceeded without him.***

Our investigation found the tribunal fairly applied the Residential Tenancy Dispute Resolution Service Regulation because another party to the complaint was present at the hearing, and the tribunal followed the established protocol in attempting to connect the complainant. The onus is on involved parties, both applicants and respondents, to provide correct contact information to the tribunal once a notice of hearing is received.

The investigation found the contact information provided by the complainant was correct, but tribunal attempts to contact him failed. We suggested the tribunal consider alternate ways to better connect with incarcerated parties, which the tribunal committed to exploring.

## RTDRS Case 2

Sometimes issues of administrative fairness not part of the initial complaint arise during the course of an Ombudsman investigation.

In the following case, we found the decision was not administratively fair because the oral reasons provided for the decision by the TDO were not adequate. The quality of reasons provided should not be less because they are part of an oral versus a written decision; they still must be clearly identified and communicated for the record. The tribunal acknowledged the reasons provided fell short of established expectations in policy and reviewed the policy requirements with the involved TDO.

***A landlord levelled several concerns about the fairness of the tribunal. We did not support any aspect of the complaint.***

The landlord did not believe the tribunal implemented a court order received after appeal and complained the RTDRS treated her unfairly by saying it had followed the court order. We found the RTDRS was fully compliant in implementing the court order and took extra measures to accommodate the complainant in her requests above and beyond what the court order strictly required.

The complainant declared she was treated unfairly when she was advised to address her concerns about a TDO with the Court of Queen's Bench when the tenancy dispute was heard in court. The complainant felt the TDO acted unprofessionally in the RTDRS hearing and requested both the TDO be disciplined by the RTDRS and a new TDO be assigned after the hearing occurred and the evidence had been reviewed and heard.

Because the tribunal is a quasi-judicial administrative tribunal and falls under the Residential Tenancy Dispute Resolution Service Regulation, a party can appeal an RTDRS decision to the court. Our investigation found the RTDRS fairly applied the regulation in addressing the concerns about the TDO conduct. The RTDRS reviewed the audio recordings of the hearing and found no concerns with the conduct of the TDO during the hearing. The complainant was correctly advised by the RTDRS it was proper for any concerns about the TDO's conduct to be raised in court by the complainant as part of her appeal. In an RTDRS proceeding, like any quasi-judicial hearing, once the officiant has reviewed and heard evidence, he or she is "seized" with the matter; this means the officiant must follow the matter through to its conclusion.

# OMBUDSMAN REVIEW HELPS IMPROVE TRANSPARENCY OF STUDENT LOAN REVIEWS

An Alberta Ombudsman review of the Student Aid Alberta program led to changes by the province to improve information and transparency regarding the student loan review process.

Alberta administers two funding programs to provide financial assistance to eligible full-time post-secondary students: the federal Canada Student Loans Program and the provincial Student Aid Alberta program. Students submit a single student aid application to Student Aid Alberta to be considered for loan and grant funding from both programs. When students are dissatisfied with a funding decision made by Student Aid Alberta, they can request a review.

The Alberta Ombudsman commenced an investigation on his own motion, pursuant to section 12(2) of the *Ombudsman Act*, into the transparency of the Student Aid Review process under section 15 of the *Student Financial Assistance Regulation*.

We found there was insufficient information on the Student Aid Alberta website, maintained by the department, of the available avenues of review regarding a student loan decision. The student loan award template letters and review decision template letters provided inadequate information about next steps in the review process and what is required to access the process.

According to the department's 2013-14 annual report, in "2013-14, Student Aid Alberta provided over \$384 million in Alberta student loans to nearly 58,000 students..." This number does not include those applications denied funding nor does it reflect the total amount of student aid loans

applied for and the amount denied. The scope of the problem extended to all the public information available to students and their families about what happens when they receive the decision about their application for student loan funding.

While the majority of the student population can be 'tech savvy,' they are less likely to understand the steps required to find information about various government processes when it is not readily available.

"Like all Albertans, students are entitled to transparency in a review process that could have a significant effect on their future," said Peter Hourihan, the Alberta Ombudsman. "Their ability to participate in the process is very limited when no guidance is provided about the process."

Within days of launching this investigation, we learned work was underway to revise the entire review process to make it transparent and understandable for students. As a result of the willingness of Student Aid Alberta to collaborate and seek our input, a significant number of changes are being made to policy, procedures, and communication materials including the website, forms and correspondence templates.

"We are confident these changes will make the Student Aid Alberta review process far more administratively fair," said Hourihan.

"We will continue to provide oversight on this matter and monitor the implementation of the department's changes. We also stand ready to investigate complaints or concerns related to the review process."

# A GLOBAL PERSPECTIVE FROM SOUTH KOREA

Hangno Lee is a manager with the Korean Anti-Corruption and Civil Rights Commission. Since August 2015, Hangno has been engaged in research and fellowship work (sponsored by the Korean government) at the Alberta Ombudsman's office. For two years, Hangno will learn the theory and practice of the Alberta and Canadian Ombudsman systems. Lee is staying in Edmonton with his wife and two daughters.

Below is an interview we conducted with Hangno to learn a little about his work, and his thoughts on our system in Alberta.

## Can you tell us about the early days of the Ombudsman system in South Korea?

The Ombudsman system in Korea was established during a time of emerging democratization. As a result of efforts over many years, the Constitution was revised in 1987 to establish the separation of state powers, to ensure checks and balances, and to expand the fundamental rights of citizens.



The amendment meant Korea ended the era of its authoritarian past and moved into an era of true democracy. In addition, it increased the public's knowledge of systems that defend them from the wrong administrations or policies of the government. In April 1994, the *Ombudsman Act* was enacted by the National Assembly. This act launched the Korean Ombudsman. Although the Korean Ombudsman has grown steadily for 22 years, it is still young compared to the Alberta Ombudsman.



## Can you share some similarities and differences between our two offices and systems?

The Korean Ombudsman system is similar to the European and North American models. It was developed after examining the policy and laws of those regions where the Ombudsman system had successfully been established.

There are also some differences in details, as every country has a different political and historical background. When the Korean Ombudsman was established in 1994, it used the title “Korean Ombudsman,” and performed its original work, but in 2008 it changed its name to the current Korean Anti-Corruption and Civil Rights Commission (ACRC). New tasks were added when the office was consolidated with two other commissions: the Korea Independent Commission against Corruption, and the Administrative Appeals Commission.

Today, the office functions as an anti-corruption and administrative tribunal, in addition to the Ombudsman function. The ACRC is affiliated with the Prime Minister, not the National Assembly. It consists of 15 commissioners, including the chairman. The chairman and members are appointed for three-year terms by the President of Korea. Members may be re-appointed.

The ACRC’s Ombudsman functions give it jurisdiction over central administrative organization (including ministries and independent agencies), local government and government-invested institutions. It may investigate any illegal or unfair decisions, omissions, unreasonable administrative systems that violate the rights of citizens, and complaints about issues that impose unfair burdens on the public. The ACRC cannot investigate matters related to political decisions, the National Assembly, the judiciary, police investigations, private matters between individuals and other remedy processes under the law.

## How many complaints has your office received, and what are some of the more common types of complaints?

In 2015, the ACRC received 31,000 complaints, and the number of complaints it supported was 3,400. The frequently filed complaints are related to social welfare, construction, police, and tax-related matters.

The most common reason people bring complaints to the ACRC is that, according to its own analysis, the ACRC can settle the complaints more quickly than the trial court, without any cost and the procedure is not complex.

The ACRC also has authority to recommend improvements to unreasonable or wrong systems or policy. If the ACRC investigates an individual complaint and finds the institutions or policies need improvement, the ACRC makes recommendations to the related authorities.

## How many investigators work for your office?

In order to respond to tens of thousands of complaints every year, about 190 investigators of the 455 staff in the ACRC assist the Ombudsman’s office. As staff positions are changed every two or three years according to the personnel regulations, Ombudsman investigators may become responsible for other tasks, such as anti-corruption or administrative appeals investigation.

## How has your work changed over the years? Are there any trends you have noticed, especially considering your office is relatively new?

The character of the complaints is changing. Since democracy and the rule of law have been settled in South Korea for decades, there is a declining trend in illegal or irrational administrations. However, as the social and economic environments become more complicated, and the peoples' awareness of rights grows, new types of complaints are increasing.

For example, group complaints are increasing against large-scale national projects, such as installations of military bases or electrical substations. These complaints involve several institutions and the interests of many people which means they require a significant amount of time and effort to resolve. Recently, the ACRC has promoted legislation to address these public conflicts and also implemented programs to reinforce investigator resources and enhance expertise.

## Coming from a similar but uniquely different environment, can you share your thoughts and observations about the Alberta Ombudsman?

Looking at the institutional aspects, the Alberta Ombudsman does not belong to any administrative body. This ensures its independence and objectivity so the office can investigate complaints about administrative matters in a third-party position. In addition, all the proceedings of the Alberta Ombudsman are protected from the review of any court. This allows for impartial investigation without any pressure from other institutions. On the other hand, the ACRC, which belongs to the administration, sometimes faces criticism that it investigates other agencies belonging to the same administration. This may cause a complainant to distrust the result of the ACRC's investigation.

A significant authority of the Alberta Ombudsman is the power to initiate an investigation on his "own motion"

without a specific complaint from an individual. The Ombudsman may investigate should he have reason to suspect systemic unfairness, perhaps based on numerous repeat complaints or other reason to think an institution is being administratively unfair to people. The own motion investigation has great effect in addressing systemic or structural concerns. Through this, the Ombudsman is able to not only solve a complaint but also prevent complaints proactively. Despite these advantages, it has not yet been introduced for the Korean Ombudsman. Our office has encountered the opposition of agencies who insist such a power would have an adverse effect on the autonomy and stability of administrative bodies.

Looking at the operational aspects, it is important that investigators develop expertise both in fairness principles but also how to investigate the hundreds of administrative agencies in Alberta. While the ombudsman has a mix of new and older staff, some long-time investigators are able to share their diverse knowledge and long experience. This is obviously a unique advantage of the Alberta Ombudsman compared to the Korean Ombudsman, which must follow personnel regulations that every position of staff should be changed every two years to prevent corruption and develop their skills.

## What have you been able to take away, so far, during your time here?

Even considering the institutional differences of different political environments, it still remains a fact the Korean Ombudsman system, with a shorter history than the Alberta Ombudsman, has some problems to solve and processes to improve.

However, I think the goals and value of the Ombudsman offices in both countries are aimed at protecting the rights of the people and ensuring the fairness of the administration. It is a great fortune and privilege for me that I can study and work for two years with the Alberta Ombudsman and investigators. They are filled with passion, expertise, and a sense of mission. I appreciate the Alberta Ombudsman for allowing me such a valuable opportunity, and I will work to enhance mutual understanding and cooperation between the Alberta and Korea's Ombudsman offices.

# 50<sup>TH</sup> ANNIVERSARY

When the Alberta Ombudsman opened its doors on September 1, 1967, it became the first parliamentary Ombudsman in Canada, beating New Brunswick by a month. Next year, 2017, is the 50th Anniversary of the Alberta Ombudsman. Alberta can take pride in pioneering the Ombudsman concept in Canada. Every province, but Prince Edward Island, has followed suit.

While the federal government did not create an all-purpose Ombudsman along the lines of the provinces, it did establish several single purpose offices, such as the Taxpayers' Ombudsman, the Military Ombudsman, the Veterans Ombudsman and the Canada Post Ombudsman.

The word "ombudsman" is Swedish as the concept originates from there. The model used in both Alberta and Canada was adopted from New Zealand, which appointed its first Ombudsman in 1962.

Planning has begun to celebrate the establishment of the Alberta Ombudsman through 2017. Visit [www.ombudsman.ab.ca](http://www.ombudsman.ab.ca) for more details as they become available.







# OUTREACH & EDUCATION

Although we live in an era of social media and enjoy easy access to information, there is no substitute for face-to-face contact. Albertans who live in and around both Calgary and Edmonton have access to our offices, but travel can be more difficult for some rural Albertans.

One way to address the challenge: bring Ombudsman investigators directly to Albertans.

Last year, Ombudsman investigators scheduled intake appointments with potential complainants in six communities: Lloydminster, Vermilion, Rocky Mountain House, Drayton Valley, Canmore and High River. We advertised the meetings in advance, and people are invited to call a toll free number to schedule their appointment. Typically, about a dozen people schedule appointments in each town. Over the past three years, the Ombudsman has covered most of the province visiting towns and cities from

as far south as Brooks and Medicine Hat, to Peace River and Fort McMurray. Some of the larger centres are scheduled for a second visit in the coming year.

Perhaps the largest benefit to the rural tours is reminding the public of the services and role of the Ombudsman. Because the tours also generate local news coverage, Albertans encountering unfairness in their dealings with provincial authorities will be more likely to remember the Ombudsman and pick up the phone or visit our website.

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(Above photo) Joe Loran, Deputy Ombudsman, speaks with public sector employees at one of many presentations we've conducted over the past few years across Alberta. Working with provincial entities to improve service delivery starts with education, and this remains one of our strategic priorities.

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“Our statistics show there is a spike on complaints from a rural area in the months following a visit,” said Daniel Johns, an investigations manager in Edmonton who routinely joins the Ombudsman and investigators on these tours.

The rural tours often include speaking engagements for the Ombudsman and staff. They also provide an opportunity for the Ombudsman to increase awareness by meeting with MLAs and their constituency staff, as well as an opportunity to speak to groups of civil servants who often refer people to the Ombudsman. In some towns, the tours have been arranged with the cooperation of the local Family and Community Support Services (FCSS) office. This creates a link to the many social service organizations under the FCSS umbrella.

“It’s an ideal approach, as these groups also refer potential complainants to the Ombudsman,” said Johns.

Of course, this doesn’t mean Ombudsman staff don’t conduct similar outreach in Edmonton or Calgary. We seek opportunities and accept invitations to participate in public events and to address special interest groups. Examples from 2015-16 include forums for senior citizens, and meetings with the Elizabeth Fry Society in Edmonton and Law Connect in Calgary.

Increasing awareness with the public is of fundamental importance since all but a few Ombudsman investigations result from individual complaints. Working with the other party in a complaint, the public authority, is also critical.

The Ombudsman has also developed curriculum for training sessions tailored for public servants. Our administrative fairness guidelines are discussed, as well as how to issue a fair decision. The first sessions were offered last year to Employment Standards employees in both Edmonton and Calgary.



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**Peter Hourihan, the Alberta Ombudsman, answers questions during a public information session. Bringing information and investigators to rural Albertans is critical to improve understanding of the services we offer.**

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“Over the coming year, more investigators will be trained on how to give these sessions,” said Joe Loran, Deputy Ombudsman.

Last year, the Ombudsman and investigators met with a diverse range of organizations to discuss common interests. Sessions were held with the office of Alberta Health Advocates. Arrangements have been made for our office to participate in the training of correctional officers in the coming year.

Call us toll-free at 1-888-455-2756 if you think the Ombudsman should speak or attend your event.

# YEAR IN REVIEW

April 1, 2015 through March 31, 2016



3,307

Oral complaints received  
(up 2% from 2014-15)

- 79 › Informal Resolution
- 866 › Referred to other remedy or appeal
- 1,942 › Non-jurisdictional
- 176 › Written correspondence requested
- 244 › Information provided



1,189

Written cases closed  
(as of March 31, 2016)

- 136 › Formal investigations closed containing 171 issues
  - 54 › Supported issues
  - 105 › Unsupported issues
  - 12 › Discontinued issues
- 1,021 › No investigation initiated (includes Referred to other remedy or appeal; Non-jurisdictional; Information provided)
- 32 › ACR cases closed containing 32 issues
  - 28 › Successful issues
  - 2 › Unsuccessful issues (no formal investigation opened; no remedy available)
  - 2 › Discontinued issues



1,234

Written complaints received  
(up 10% from 2014-15)

- 181 › New formal investigations
- 31 › New Alternative Complaint Resolution (ACR) cases
- 1,022 › No investigation initiated (includes Referred to other remedy or appeal; Non-jurisdictional; Information provided)



234

Cases carried forward to 2016-17



189

Cases carried forward from previous year

Of the 1,234 written complaints received, the most common authorities by volume of complaints are:

- |   |   |
|---|---|
| 164 › Justice and Solicitor General (includes Correctional Services @ 105; MEP @ 34)  | 48 › Appeals Commission for Alberta Workers' Compensation                             |
| 157 › Human Services (includes Child and Family Services Authorities @ 51; AISH @ 33; Alberta Works @ 33; Appeals Secretariat @ 26) | 38 › Workers' Compensation Board  |
|   | 33 › Health Professions (includes College of Physicians and Surgeons of Alberta @ 19) |

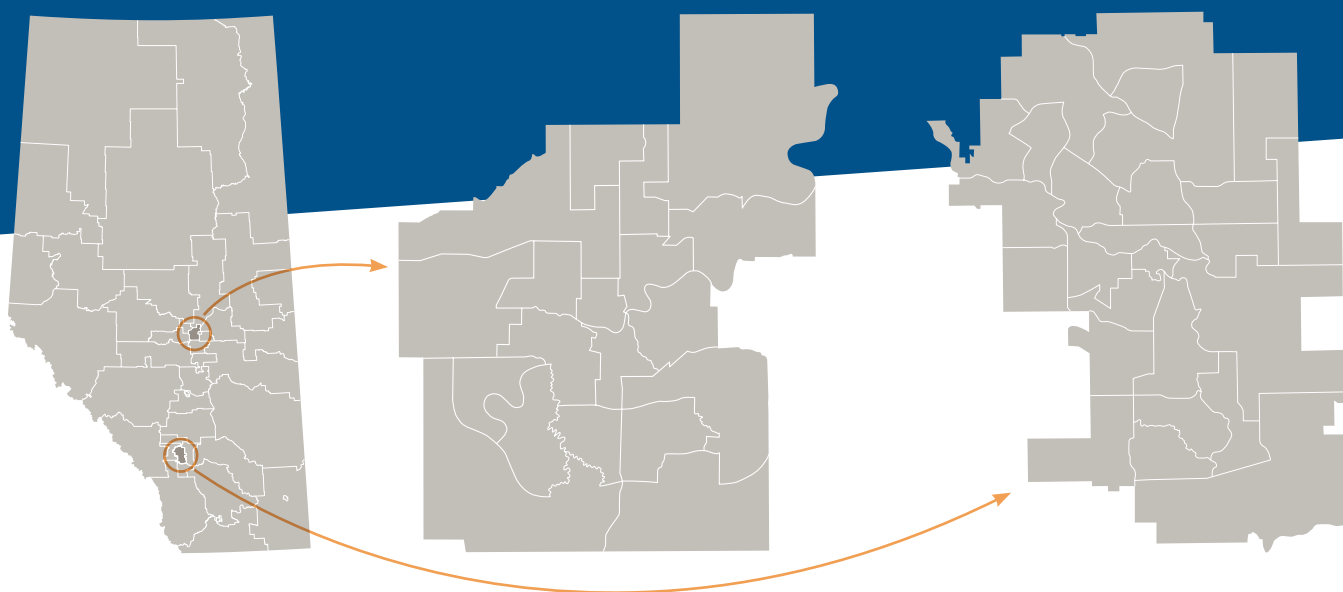
# COMPLAINTS BY ELECTORAL DIVISION

2015-16

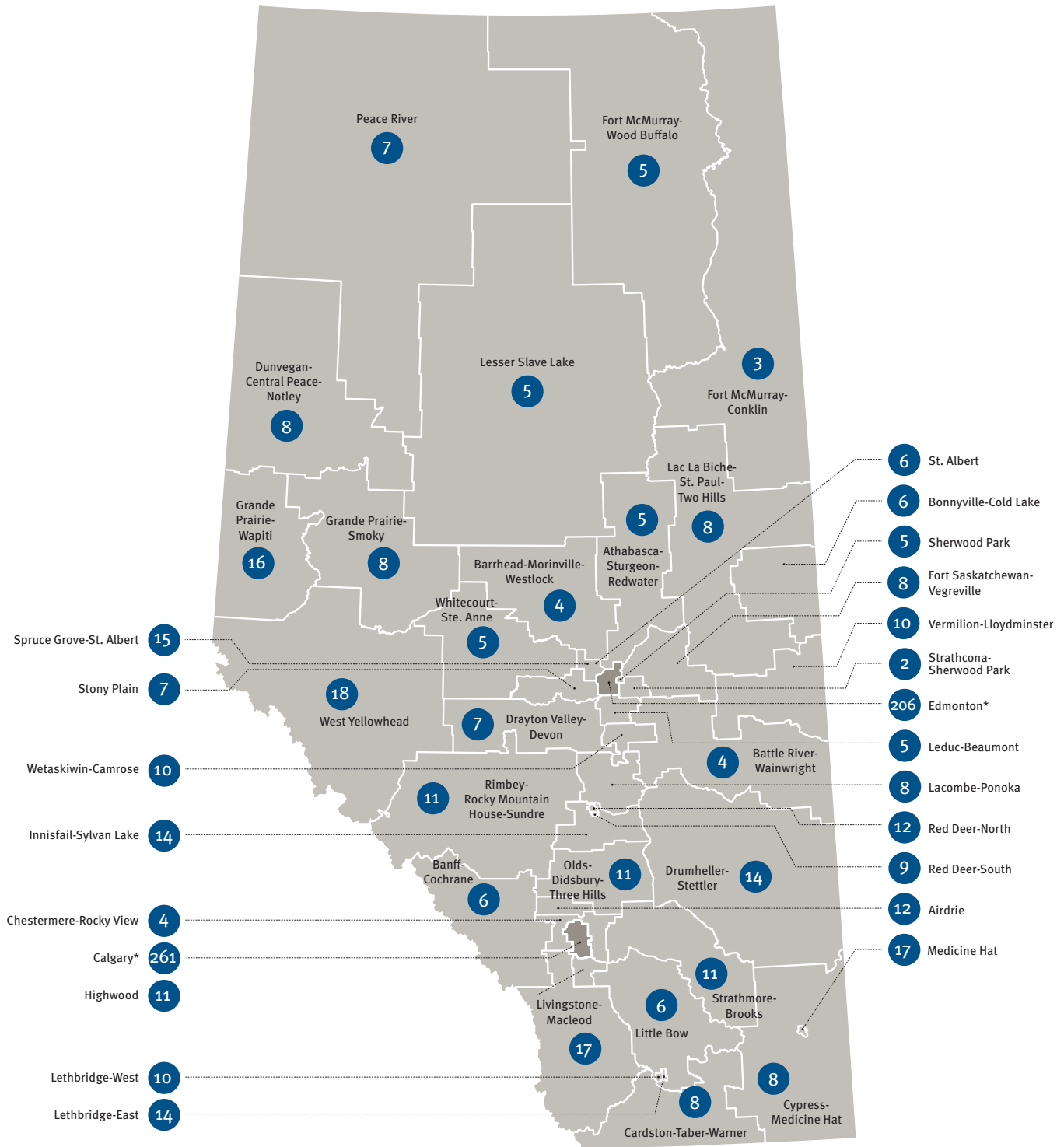
The figures on the maps refer to written complaints received between April 1, 2015 and March 31, 2016 and do not include complaints that originated in provincial correctional centres (84) and out-of-province/no city, address specified/unknown/sent via email (303).

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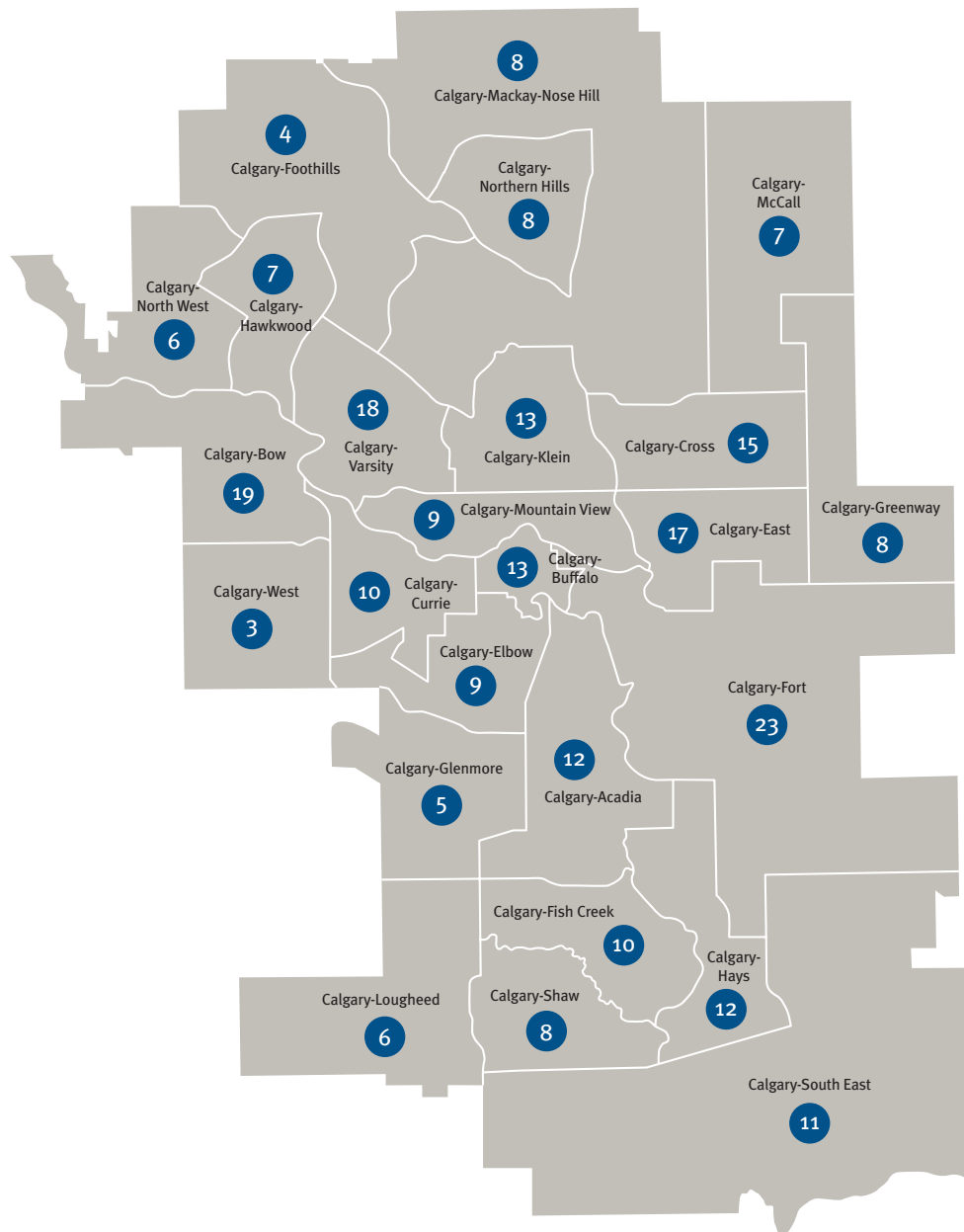
# COMPLAINTS BY ELECTORAL DIVISION



(\*denotes multiple electoral divisions in region - see pages 37 and 38)

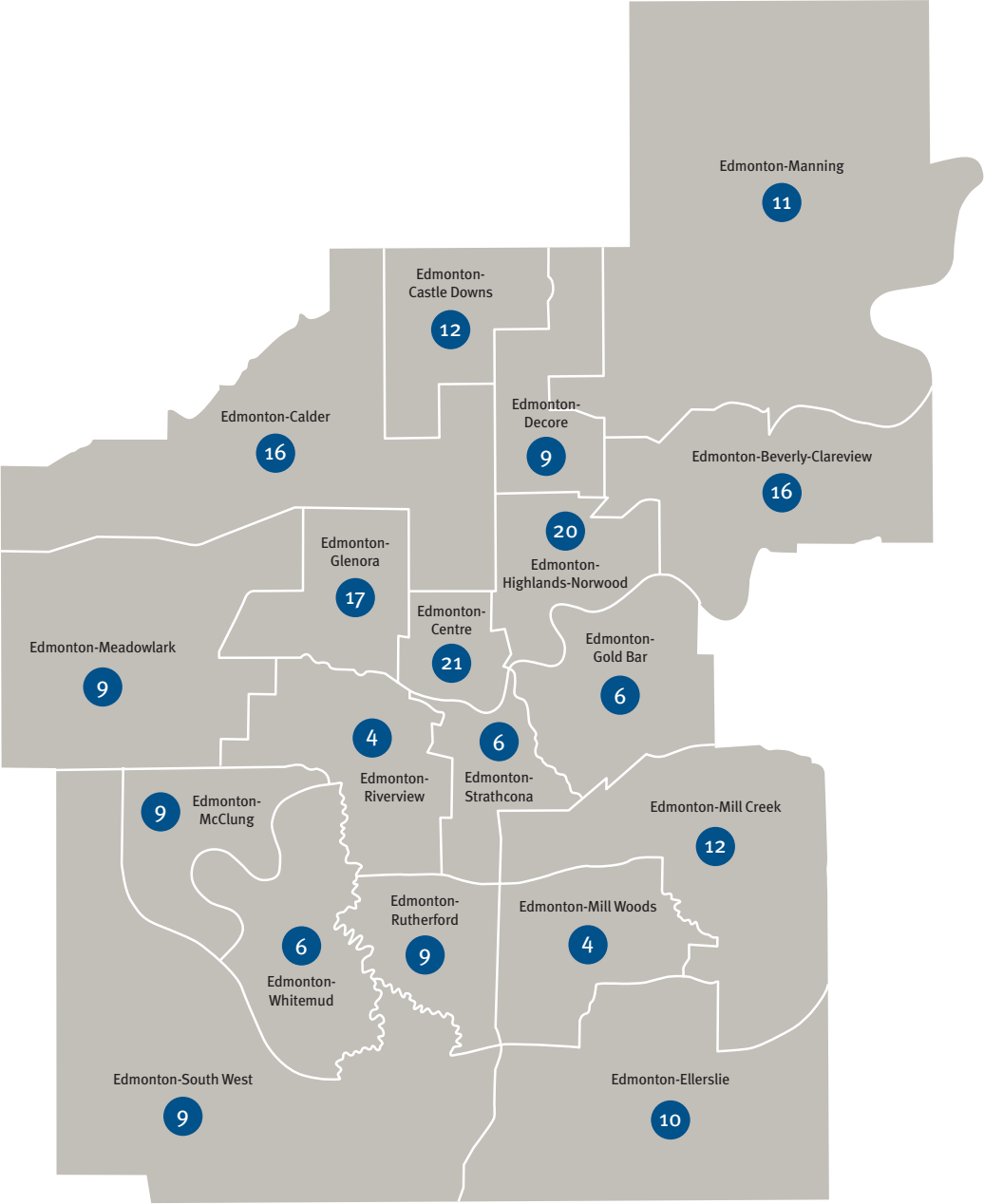


# CALGARY ELECTORAL DIVISION



	# of complaints
Calgary-Acadia	12
Calgary-Bow	19
Calgary-Buffalo	13
Calgary-Cross	15
Calgary-Currie	10
Calgary-East	17
Calgary-Elbow	9
Calgary-Fish Creek	10
Calgary-Foothills	4
Calgary-Fort	23
Calgary-Glenmore	5
Calgary-Greenway	8
Calgary-Hawkwood	7
Calgary-Hays	12
Calgary-Klein	13
Calgary-Lougheed	6
Calgary-Mackay-Nose Hill	8
Calgary-McCall	7
Calgary-Mountain View	9
Calgary-North West	6
Calgary-Northern Hills	8
Calgary-Shaw	8
Calgary-South East	11
Calgary-Varsity	18
Calgary-West	3
<b>Total</b>	<b>261</b>

# EDMONTON ELECTORAL DIVISION



# of complaints

Edmonton-Beverly-Clareview	16
Edmonton-Calder	16
Edmonton-Castle Downs	12
Edmonton-Centre	21
Edmonton-Decore	9
Edmonton-Ellerslie	10
Edmonton-Glenora	17
Edmonton-Gold Bar	6
Edmonton-Highlands-Norwood	20
Edmonton-Manning	11
Edmonton-McClung	9
Edmonton-Meadowlark	9
Edmonton-Mill Creek	12
Edmonton-Mill Woods	4
Edmonton-Riverview	4
Edmonton-Rutherford	9
Edmonton-South West	9
Edmonton-Strathcona	6
Edmonton-Whitemud	6
<b>Total</b>	<b>206</b>

# OMBUDSMAN RECOMMENDATIONS

Recommendations		Departments (continued)	
<b>Professional Associations and Colleges</b>		Health	
Alberta College of Social Workers	1	Health Benefits Exception Committee	1
Alberta Dental Association and College	1	Human Services	
College of Physicians and Surgeons of Alberta	2	Appeals Secretariat	10
		Assured Income for the Severely Handicapped (AISH)	7
<b>Boards, Agencies, Commissions</b>		Child and Family Services Authority	1
Agriculture Financial Services Corporation	4	Justice and Solicitor General	
Alberta Human Rights Commission	1	Calgary Correctional Centre	1
ATB Financial	4	Calgary Remand Centre	6
Workers' Compensation Board	2	Edmonton Remand Centre	2
		Fort Saskatchewan Correctional Centre	1
<b>Departments</b>		Lethbridge Correctional Centre	3
Economic Development and Trade		Service Alberta	
Alberta Innovates - Technology Futures	1	Consumer Services	1
Education	2		
Environment and Parks	1		
		<b>Total</b>	<b>52</b>

# GIVING BACK TO OUR COMMUNITIES

Every year, employees in the offices of the Alberta Ombudsman and Public Interest Commissioner pick organizations to donate time and resources.

In April 2015, employees in our Edmonton office spent a morning at the Hope Mission helping prepare and serve lunch. This organization is a non-profit social care agency, providing assistance and care for the impoverished and homeless in Alberta. Hope Mission also provides more than 1,000 meals and shelters 500 people every day.

In February 2016, employees in our Calgary office spent half-a-day making lunches for children at Brown Bagging for Calgary's Kids. This organization works with local schools and community groups to provide lunches for approximately 2,900 children each day.

## SEASONAL DONATIONS

Employees in the Ombudsman and Public Interest Commissioner's office take personal time to donate gifts and items to charitable organizations in Calgary and Edmonton during the Christmas season.

As in previous years, Calgary employees donated much-needed items to isolated and vulnerable seniors through Seniors Secret Service. Seniors supported by the organization received gifts such as slippers, gloves, toiletries and other personal care items, large print books, treats, transit tickets, socks and gift cards. In 2015, Seniors



Secret Service shared gifts and Christmas cheer with almost 3,400 isolated seniors over the holiday season.

Edmonton employees donated toys for children through Santas Anonymous for the fourth consecutive year. The goal of Santas Anonymous is to ensure each child in Edmonton has a new toy at Christmas. Our employees donated more than 35 individual toys.

Additionally, employees in both the Calgary and Edmonton offices donate weekly to a Casual Friday fund, and every six months a charity is chosen by each office to receive the funds collected. In 2015, more than \$1,200 from those donations benefitted Seniors Secret Service, the Autism Society of Edmonton, Second Chance Animal Rescue Society, and the Animal Rescue Foundation of Alberta.



# FINANCIAL STATEMENTS

Year Ended March 31, 2016

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## Independent Auditor's Report

To the Members of the Legislative Assembly:

### Report on the Financial Statements

I have audited the accompanying financial statements of the Ombudsman, which comprise the statement of financial position as at March 31, 2016, 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, 2016, 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 26, 2016 | Edmonton, Alberta

Office of the Ombudsman  
**Statement of Operations**

Year ended March 31, 2016

**FINANCIAL  
STATEMENTS**

	2016		2015
	Budget	Actual	Actual
<b>Revenues</b>			
Fellowship Agreement	\$ -	\$ 10,000	\$ -
Prior Year Expenditure Refund	-	2,122	1,245
	-	12,122	1,245
<b>Expenses – Directly Incurred (Note 3b, 4 and Schedule 2)</b>			
Salaries, Wages, and Employee Benefits	3,090,000	2,870,580	2,962,057
Supplies and Services	442,000	364,984	550,082
Amortization of Tangible Capital Assets	52,000	35,851	38,769
	3,584,000	3,271,415	3,550,908
Less Recovery from Support Service Arrangements with Related Parties (Note 4)	(250,000)	(239,556)	(249,663)
	3,334,000	3,031,859	3,301,245
<b>Annual Deficit</b>	\$ (3,334,000)	\$ (3,019,737)	\$ (3,300,000)

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

# FINANCIAL STATEMENTS

## Office of the Ombudsman Statement of Financial Position

As at March 31, 2016

	2016	2015
<b>Financial Assets</b>		
Advances	\$ -	\$ 2,000
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	91,729	41,983
Accrued Vacation Pay	268,043	279,740
	359,772	321,723
<b>Net Debt</b>	(359,772)	(319,723)
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 5)	31,775	55,626
Prepaid Expenses	9,978	8,734
	41,753	64,360
<b>Net Liabilities</b>	\$ (318,019)	\$ (255,363)
<b>Net Liabilities at Beginning of Year</b>	\$ (255,363)	\$ (219,582)
Annual Deficit	(3,019,737)	(3,300,000)
Net Financing Provided from General Revenues	2,957,081	3,264,219
<b>Net Liabilities at End of Year</b>	\$ (318,019)	\$ (255,363)

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, 2016

**FINANCIAL  
STATEMENTS**

	2016		2015
	Budget	Actual	Actual
<b>Annual Deficit</b>		\$ (3,019,737)	\$ (3,300,000)
Acquisition of Tangible Capital Assets	-	(12,000)	(9,006)
Amortization of Tangible Capital Assets	52,000	35,851	38,769
Changes in Prepaid Expenses		(1,244)	(2,444)
Net Financing Provided from General Revenue		2,957,081	3,264,219
<b>Increase in Net Debt</b>		\$ (40,049)	\$ (8,462)
<b>Net Debt at Beginning of Year</b>		(319,723)	(311,261)
<b>Net Debt at End of Year</b>		\$ (359,772)	\$ (319,723)

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

# FINANCIAL STATEMENTS

## Office of the Ombudsman Statement of Cash Flows

Year ended March 31, 2016

	2016	2015
<b>Operating Transactions</b>		
Annual Deficit	\$ (3,019,737)	\$ (3,300,000)
Non-cash Items Included in Net Operating Results:		
Amortization of Tangible Capital Assets	35,851	38,769
Decrease in Accounts Receivable	-	16,021
Repayment of Advances	2,000	300
Increase in Prepaid Expenses	(1,244)	(2,444)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	38,049	(7,859)
Cash Applied to Operating Transactions	(2,945,081)	(3,255,213)
<b>Capital Transactions</b>		
Acquisition of Tangible Capital Assets	(12,000)	(9,006)
Cash Applied to Capital Transactions	(12,000)	(9,006)
<b>Financing Transactions</b>		
Net Financing Provided From General Revenues	2,957,081	3,264,219
<b>Increase (Decrease) in Cash</b>	-	-
<b>Cash, Beginning of Year</b>	-	-
<b>Cash, End of Year</b>	\$ -	\$ -

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

# Office of the Ombudsman

## Notes to the Financial Statements

Year ended March 31, 2016

## FINANCIAL STATEMENTS

### 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.

#### 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.

### Note 3 Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

#### 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.

##### 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 Financial Assets and 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 advances and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

##### 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 of the Office are limited to advances to employees.



**Note 3 Summary of Significant Accounting Policies and Reporting Practices (Cont'd)**

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

**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 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 of the Office 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 that will be required from General Revenues to finance the Office's cost of operations to March 31, 2016.

### Note 4 Support Services Arrangements

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 provides the following services to the Office of the Public Interest Commissioner:

- Public Interest Commissioner
- Legal
- Corporate (Finance, HR, IT)
- Administration

The Office of the Public Interest Commissioner provides the following services to the Office of the Ombudsman:

- Communications
- Administrator

The costs of the shared support services are included in the voted operating estimates and statement of operations as a cost recovery for the Office providing the services and a supplies and services expense for the Office receiving the services.

For 2015-16, the Office's cost recovery from the Office of the Public Interest Commissioner was \$239,556 (2015 - \$249,663) and the Office's supplies and services expense for services provided by the Office of the Public Interest Commissioner was \$89,698 (2015 - \$118,565).

# Office of the Ombudsman

## Notes to the Financial Statements

Year ended March 31, 2016

## FINANCIAL STATEMENTS

### Note 5 Tangible Capital Assets

		2016		
	Cost		Accumulated Amortization	Net Book Value
Computer hardware and software	\$ 122,276	\$	102,401	\$ 19,875
Office equipment and furnishings	38,580		26,680	11,900
	<u>\$ 160,856</u>	<u>\$</u>	<u>129,081</u>	<u>\$ 31,775</u>

		2015		
	Cost		Accumulated Amortization	Net Book Value
Computer hardware and software	\$ 122,276	\$	66,650	\$ 55,626
Office equipment and furnishings	33,387		33,387	-
	<u>\$ 155,663</u>	<u>\$</u>	<u>100,037</u>	<u>\$ 55,626</u>

In 2015-16, tangible capital asset additions were \$12,000 (2015 \$9,006) and there were no disposals (2015 \$41,945).

### Note 6 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.

Estimated payment requirements for the unexpired terms of these contractual obligations are as follows:

2016-17	\$ 13,567
2017-18	-
2018-19	-
	<u>\$ 13,567</u>

### **Note 7 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 \$346 for the year ended March 31, 2016 (2015 \$328).

At December 31, 2015, the Management Employees Pension Plan had a surplus of \$299,051 (2014 surplus \$75,805), the Public Service Pension Plan had a deficit of \$133,188 (2014 deficit \$803,299) and the Supplementary Retirement Plan for Public Service Managers had a deficit of \$16,305 (2014 deficit \$17,203).

The Office also participates in the multi-employer Long Term Disability Income Continuance Plan. At March 31, 2016, the Management, Opted Out and Excluded Plan had an actuarial surplus of \$29,246 (2015 surplus \$32,343). The expense for this plan is limited to the employer's annual contributions for the year.

### **Note 8 Statement Of Re-Measurement Gains And Losses**

As the Office does not have any transactions involving financial instruments that are classified in the fair value category and has no foreign currency transactions, there are no re-measurement gains and losses and therefore a statement of re-measurement gains and losses has not been presented.

### **Note 9 Comparative Figures**

Certain 2015 figures have been reclassified to conform to the 2016 presentation.

### **Note 10 Approval Of Financial Statements**

These financial statements were approved by the Ombudsman.



## Schedule 1

### Office of the Ombudsman Salary and Benefits Disclosure

Year ended March 31, 2016

## FINANCIAL STATEMENTS

	2016				2015
	Base Salary <sup>(1)</sup>	Other Cash Benefits <sup>(2)</sup>	Other Non-cash Benefits <sup>(3,4)</sup>	Total	Total
<b>Senior Official</b> <sup>(5,6)</sup>					
Ombudsman/Commissioner	\$ 260,904	\$ 36,761	\$ 24,095	\$ 321,760	\$ 319,105
<b>Executive</b>					
Deputy Ombudsman	\$ 165,323	\$ -	\$ 42,706	\$ 208,029	\$ 202,071

<sup>(1)</sup> Base salary includes regular salary.

<sup>(2)</sup> Other cash benefits include pension-in-lieu payments.

<sup>(3)</sup> 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.

<sup>(4)</sup> Automobile provided to the Ombudsman/Commissioner; lease, insurance and operating costs of \$15,650 (2015-\$12,799) included in other non-cash benefits. The Ombudsman/Commissioner received a taxable benefit at December 31, 2015 of \$16,910 (2014-\$14,845).

<sup>(5)</sup> 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 2015-16 and 2014-15.

<sup>(6)</sup> Note 4 on the Notes to the Financial Statements provides information regarding allocation of shared services costs for financial statement presentation.

# FINANCIAL STATEMENTS

## Office of the Ombudsman Allocated Costs

Year ended March 31, 2016

Program	2016				2015
	Expenses <sup>(1)</sup>	Expenses - Incurred by Others		Total Expenses	Total Expenses
Operations	\$ 3,031,859	\$ 278,448	\$ 12,591	\$ 3,322,898	\$ 3,585,140

<sup>(1)</sup> Expenses - Directly Incurred as per Statement of Operations.

<sup>(2)</sup> Costs shown for accommodation are allocated by the total square meters occupied by the Office.

<sup>(3)</sup> Business costs include Service Alberta's costs for the Office's telephone lines, and Corporate Human Resources' costs for delivering training courses to the Office's staff.





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F. 780.427.2759

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