



**PUBLIC INTEREST
COMMISSIONER**

ANNUAL REPORT 2017-18



**PUBLIC INTEREST
COMMISSIONER**

November 2018

The Honourable Robert Wanner
Speaker of the Legislative Assembly
352 Legislature Building
10800 - 97 Avenue NW
Edmonton, AB T5K 2B6

Dear Speaker Wanner:

The Public Interest Commissioner's office is pleased to present its 5th Annual Report to you and through you, to the Legislative Assembly.

The Report has been prepared in accordance with section 33(1) of the *Public Interest Disclosure (Whistleblower Protection) Act* and covers the activities of the Public Interest Commissioner's office for the period April 1, 2017 through March 31, 2018.

Respectfully,

Marianne Ryan
Public Interest Commissioner



VISION

A public sector wherein wrongdoings are confidently reported without fear of reprisal, and effective and appropriate management responses are undertaken.

MISSION

The Public Interest Commissioner fosters a culture that:

- Encourages the reporting of wrongdoings;
- Provides fair, independent and impartial investigations;
- Protects employees from reprisals.

VALUES

Integrity

Respect

Accountability

Independence



TABLE OF CONTENTS

Message from the Commissioner **1**

Amendments to the *Public Interest Disclosure (Whistleblower Protection) Act* –
Advancing the Protection of Whistleblowers **3**

Promoting Public Confidence Through Collaboration **5**

2017-18 Annual Report Statistics **7**

Business Plan Results for 2017-18 **11**

Finding Wrongdoing is Good – How a Successful Whistleblower Program Works **15**

Transparency and Accountability – A Practical Approach to Revising Policy **17**

Case Examples **20**

Financial Statements **25**



MESSAGE FROM THE PUBLIC INTEREST COMMISSIONER



The Public Interest Commissioner's office opened its doors in June of 2013 with proclamation of the *Public Interest Disclosure (Whistleblower Protection) Act* (PIDA or the Act). The purpose and intent of the Act is to create a safe avenue for public sector employees to report wrongdoing within the workplace. As Alberta's second Public Interest Commissioner, my role is to facilitate the disclosure process, conduct fair, impartial investigations and make strong but reasonable recommendations when wrongdoing has occurred.

In the course of my first year as Commissioner, I have developed a deep respect for the courageous individuals who seek us out for advice or come prepared to make a disclosure. Reporting

wrongdoing is a good thing, with multiple benefits including bringing to the attention of the employer the specific nature of the issues so corrective measures can be taken. Early detection and remedy reduces potential losses and can prevent injury or damage to workplace morale often associated with chronic or systemic wrongdoing.

In this, our office's fifth annual report, we are pleased to share ways in which we have observed positive improvements for whistleblowers and in fact, it is a recurring thread throughout the report. We will illustrate how the amendments to the Act expand protections for whistleblowers and broaden the jurisdiction of our office. We will share statistics and specific case summaries that describe the type of work we do and the collaborative approach we know results in more effective and meaningful outcomes. And through our feature articles, we highlight two companies that stood out for us this year, for the work they have done to implement the amendments and how they welcome whistleblowing within the workplace.

Since inception, our office has worked to foster work environments where whistleblowing is embraced and where employees and management share a common goal of reporting and remedying wrongdoing. We want to reassure employees in the public sector and bring awareness to the protections the Act provides against reprisal. And we want to acknowledge the progress we see and encourage chief and designated officers to continue carefully examining and improving their whistleblower protection programs. I am proud of the level of service and subject matter expertise our investigative team demonstrates in all aspects of their work. I would like to thank them for their enduring efforts this year, to prepare for the legislative changes within the office and the time they have dedicated to advancing awareness of the amendments.

With a look to the future, it is difficult to predict exactly how the legislative amendments will impact our work. We are committed to highlighting how the legislative amendments can act as a catalyst for positive change – to encourage open and transparent conversations about whistleblowing and to support the work organizations do in the development of an effective whistleblower policy.

Marianne Ryan

Public Interest Commissioner



PUBLIC INTEREST
COMMISSIONER

ANNUAL REPORT 2017-18





AMENDMENTS TO THE *PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT* – ADVANCING THE PROTECTION OF WHISTLEBLOWERS

Since 2013, the *Public Interest Disclosure (Whistleblower Protection) Act* (PIDA or the Act) has been in place to create a safe mechanism for public sector employees to report wrongdoing or make a complaint of reprisal, and be protected for doing so. When it came time to review the Act, law-makers saw the opportunity to strengthen the legislation, by expanding the jurisdiction of the Public Interest Commissioner and by increasing protections for whistleblowers.

In June of 2015, the Alberta Government created the Select Special Ethics and Accountability Committee (the Committee) – a 17-member, all-party Committee, tasked to review a number of bodies of legislation, including the Act. Staff from the office of the Public Interest Commissioner remained fully engaged in this legislative review process, and provided advice and subject matter expertise before the Committee. When the final report was released late in 2016, it outlined 21 recommendations to amend the existing legislation. In the months thereafter, our office worked with the legislative reform lawyers and staff responsible for preparing and drafting the amendments. Bill 11 – the *Public Interest Disclosure (Whistleblower Protection) Amendment Act* was developed and received royal assent in June of 2017.

On February 22, 2018, Commissioner Ryan joined Christina Gray, Minister of Labour and Minister Responsible for Democratic Renewal, at a press conference to announce the implementation of the new legislation. The Commissioner and Minister highlighted how the expanded protections for whistleblowers would better contribute to a workplace culture where the reporting of wrongdoing is encouraged and supported. The amendments would be effective at proclamation, March 1, 2018.

Expanding the Jurisdiction of the Commissioner

As an independent Officer of the Alberta Legislative Assembly, the Commissioner is responsible for providing advice and facilitating the disclosure of significant and serious matters that employees in the public sector believe to be dangerous or unlawful. She conducts fair and impartial investigations and when wrongdoing is found, makes strong but reasonable recommendations respecting the disclosure and the wrongdoing.

At proclamation, updates to the Act expanded the Commissioner's jurisdiction to include Members of the Legislative Assembly, the Premier and their offices. The updates also included the addition of prescribed service providers, a group of organizations and individuals to be defined in a succeeding regulation. Expanding the jurisdiction extends the protection of the Act to more employees and allows the Commissioner to investigate a broader range of issues. We encourage public sector employees who believe they have witnessed or experienced wrongdoing to contact our office and seek advice.



Increasing Protections for Whistleblowers

The overarching purpose of whistleblower protection legislation is to provide public sector employees with a safe and effective process for registering complaints about wrongdoing. A fair and effective public service requires law-makers to continually examine existing legislation and identify potential areas of improvement. What may have worked in the past may not address the challenges of today's complex world.

Amendments to the Act have increased protections for whistleblowers by expanding the definition of wrongdoing; by allowing employees to disclose to the Commissioner in the first instance; by allowing employees to seek advice from their supervisors; and, in the case of a reprisal – by creating a mechanism for determining a potential remedy for the affected employee. These mechanisms expand the options for whistleblowers. It takes courage to report wrongdoing and a well-defined process, fortified with legal protections, increases the likelihood that issues will be brought to light and addressed.

MISMANAGEMENT OF EMPLOYEES

Inappropriate workplace behaviour such as bullying, harassment and intimidation adversely affects the wellbeing of individuals, and can have detrimental effects on overall employee morale and productivity. The *Public Interest Disclosure (Whistleblower Protection) Act* (the Act) has been amended so that as of March 1, 2018, the definition of wrongdoing now includes the gross mismanagement of employees through bullying, harassment or intimidation. Under the Act, gross mismanagement occurs when an act or omission is **deliberate**, and shows a **reckless or wilful disregard** for proper management. The gross mismanagement of employees occurs when an organization experiences ongoing mistreatment of employees that is systemic, negatively affecting the overall culture of the organization.

The Act addresses serious institutional wrongdoing that affects the broader public interest, and is not intended to address personal disputes or individual harassment complaints. Personal work-related complaints should still be dealt with through internal processes. However, when internal mechanisms, including human resources channels and procedures under collective agreements have been used or considered, and the organization continues to experience a culture affected by bullying, harassment or intimidation, the Public Interest Commissioner now has the jurisdiction to investigate disclosures by employees relating to that mistreatment.

What this means is that there is now a safe way for employees to help promote healthy workplaces and a stronger public service by reporting serious behaviour-related issues that have occurred since March 1, 2018, without fear of reprisal. Disclosures under the Act are confidential, and the Act protects employees in the public sector when they report wrongdoing in their workplace.

“A safe and healthy workplace is fundamental to the success of an organization. These amendments offer expanded protection for whistleblowers and in doing so, promote public confidence in the administration of the public service. I look forward to these changes and believe they will encourage both employees and their organizations to embrace a workplace culture where the reporting of wrongdoing is encouraged and supported.”

Marianne Ryan, Alberta's Public Interest Commissioner, February 22, 2018



PROMOTING PUBLIC CONFIDENCE THROUGH COLLABORATION

Our larger vision is a public service where employees and management share a common goal of detecting and remedying wrongdoing. In order to achieve this objective, we're working to change the perspective on how public interest disclosure investigations are conducted.

The purpose of the *Public Interest Disclosure (Whistleblower Protection) Act* (PIDA or the Act) is to bring wrongdoing or cases of reprisal to the attention of the affected public entity so corrective measures can be taken. The Act allows for the reporting and investigation of wrongdoing to be conducted either internally by the designated officer, or by the Public Interest Commissioner. In this regard, there is a common goal between the Commissioner and designated officers to effectively investigate allegations of wrongdoing, and report it to the head of the organization so corrective measures can be taken.

From a practical perspective, designated officers are far better positioned to undertake investigations within their organization as they are most familiar with the applicable internal policies, procedures, and laws that govern the organization; they know the right people to speak with, and where to go for relevant records. The Public Interest Commissioner's office provides the investigative expertise, resources, and independent oversight to public interest disclosure investigations. Both roles complement each other and it reasons that working collaboratively with organizations is a far more efficient and effective way to conduct investigations.

Simply put – a collaborative process works better than an adversarial process. Some organizations who have experienced investigations with our office recognize this and are eager to assist and participate in investigations when the Commissioner's office calls. However, this is a new concept for most organizations and it is a change in how these types of investigations are traditionally seen. Our objective is to build strong relationships with organizations in order to effectively conduct investigations. We believe a change in perspective is required around how public interest disclosure investigations should be conducted.

1 First, a common misconception is that the Commissioner investigates organizations. The reality is the Commissioner does not investigate organizations, but rather investigates the specific allegations to determine if there is merit to them. This changes the perspective of 'us investigating you' to 'us investigating with you'. Working with the Commissioner's office effectively makes the organization a partner in the detection and remedy of wrongdoing.



2 The second misconception is that finding wrongdoing is a bad thing for an organization. Wrongdoing is not unique, and the reality is that no organization is immune to wrongdoing within its ranks. Given the right circumstances, an employee within any public entity may commit wrongdoing. The public can stomach a so-called “bad apple”; however, it has no appetite for public entities that avoid dealing with wrongdoing in its organizations. In other words – it is how an organization responds when wrongdoing is found that will promote public confidence.

3 The third misconception is that the Public Interest Commissioner needs to be a heavy-handed oversight body and publicly report the outcome of all investigations in order to ensure public confidence in the administration of the governing bodies. The outcome of an investigation may be reported if it serves the public interest. However, our main objective is to promote a culture where whistleblowing is embraced within organizations and corrective measures are taken when wrongdoing is found. This involves getting organizations to promote the Act internally as a means for employees to report wrongdoing. But it becomes counterintuitive for organizations to encourage its employees to report wrongdoing, if the organization as a whole is then publicly disciplined when wrongdoing is found.

The objective of the Public Interest Commissioner, and our approach to conducting investigations, is to work with organizations to help them detect and remedy wrongdoing. Organizations that embrace a positive philosophy around whistleblowers, have effective whistleblower programs, and work with the Public Interest Commissioner’s office, will promote public confidence.



2017-18 ANNUAL REPORT STATISTICS

Mandatory reporting as per section 33(1) PIDA

The number of general inquiries made to the Commissioner regarding the Act

A total of 214 cases were generated, the result of inquiries into the program.

The inquiries were categorized into the following sectors:

- Government Departments 56
- Education 52
- Health Authorities 33
- Post-Secondary Institutions 6
- Agencies, Boards & Commissions 18
- Offices of the Legislature. 2
- Non-Jurisdictional Individuals/Entities 47

The number of disclosures of wrongdoing received by the Commissioner

- 10 disclosures were received
 - 0 of the disclosures received were made anonymously

The number of disclosures acted on, the number of disclosures not acted on

All disclosures were acted on:

- 4 investigations were commenced
- 2 disclosures were referred to designated officers for follow-up
- 4 were not investigated as the subject matter of the disclosure had already been dealt with by the public entity or could more appropriately be addressed under another Act

-
- 3 investigations into disclosures of wrongdoing were concluded this reporting period
 - 2 from the current fiscal year
 - 1 disclosure investigation carried over from the previous reporting period was concluded
-

- 2 investigations commenced in fiscal 2017-18 were carried over into fiscal 2018-19

In addition to the 10 disclosures of wrongdoing, another 46 complaints were assessed by the Public Interest Commissioner. Upon receipt, all complaints undergo a jurisdictional assessment process to determine whether the Commissioner has the authority to initiate an investigation, and whether an investigation is required. For the Commissioner to have legal jurisdiction to initiate a formal investigation, certain criteria must be met. The issues must, on a *prima facie* basis, relate to a wrongdoing specifically defined in the Act; the individuals or entities subject of the complaint must be a public entity to which the Act applies; the complaint must appear to be made in good faith; and the complaint must contain adequate particulars about an alleged wrongdoing as required by the Act. The assessment also considers what steps have already been taken to address the issues, and whether there are more appropriate mechanisms under another statute for the matter to be addressed. These assessments can take a substantial amount of time as complaints often involve a number of diverse and complex issues, accompanied by considerable amounts of supporting documentation.



Over this reporting period, 46 cases did not meet this test and these cases were classified as being non-jurisdictional or did not require an investigation. These complaints included allegations of bullying, harassment, policy contraventions, code of conduct issues, human resource management issues, or involved entities not covered by the Act (e.g., municipalities).

Even though these matters were not investigated, complainants are directed to other processes, departments or entities for assistance. Chief officers are often notified of the complaint raised for their own situational awareness purposes while ensuring the confidentiality of the complainant is protected.

The number of complaints of reprisal received

- 5 complaints of reprisal were received
 - 1 was investigated and determined unsupported
 - 3 were assessed and determined non-jurisdictional
 - 1 investigation remains ongoing into the 2018-19 fiscal year
- There were no reprisal investigations carried over from the prior period

Under the Act, an employee is protected from reprisal when they decline to participate in a wrongdoing, seek advice or make a disclosure to either their designated officer or to the Public Interest Commissioner, participate in an investigation, or do anything in accordance with the Act (a protected activity). In all four complaints, including the case investigated, we determined that a protected activity did not precede the alleged reprisal. In other words, the employees could not have been reprisal against as they did not do anything under the Act that would have protected them from reprisal.

The number of recommendations made by the Commissioner and whether entities complied with the recommendations

The Commissioner makes recommendations to entities when a finding of wrongdoing or reprisal is determined. During the 2017-18 fiscal year there were no findings of wrongdoing or reprisal and therefore, no formal recommendations were issued. However, in cases where a practice or action was identified as a concern, the Commissioner brought these observations to the attention of the public entity to consider and implement changes where required.

Were any systemic problems identified which may give rise to or have given rise to wrongdoings?

Of the investigations concluded this year, there were no findings of wrongdoing. As such, no systemic problems were identified.



Exemptions from the application of all or a portion of the Act, including reasons for the exemptions

Olds Mountainview Christian School

Olds Mountainview Christian School was granted a partial exemption from certain requirements within the *Public Interest Disclosure (Whistleblower Protection) Act* (PIDA or the Act), on the basis that the size of the school made it impractical for it to establish and maintain an effective whistleblower protection program. The school was exempted from the requirement to have procedures in place for internally receiving and investigating disclosures of wrongdoing, and from identifying a designated officer to receive such disclosures. A condition of the exemption, however, was that all allegations of wrongdoing must be made directly to the Public Interest Commissioner. Further, the school must provide its employees with the contact information for the Commissioner, and information regarding the protections extended to them under the Act.

Elves Special Needs Society

Private schools that receive funding through the *Education Grants Regulation* are included within the Act. Private schools which receive funding through other mechanisms are not included. Elves Special Needs Society (Elves) operates a private school providing individuals with severe disabilities and special needs, individualized educational programs. However, in addition to the private school, Elves offers programs funded through other mechanisms for individuals ages 2½ into late adulthood.

The *Public Interest Disclosure (Whistleblower Protection) Regulation*, designates the principal of a private school as the chief officer for the purpose of the Act. The challenge that Elves faced is that the principal was the program manager for the school however, did not have administrative oversight over all other government funded programs operated by Elves. The principal would therefore not be effective in carrying out the duties and functions of the chief officer.

Elves was motivated to ensure the Act was effectively applied within its organization, and sought an exemption from the Commissioner from the requirement designating the principal as the chief officer. It was suggested that the executive director carry out this role. The Commissioner granted the exemption request, and as a condition, imposed that the executive director at Elves carry out the duties of the chief officer as set out in the Act.

During the recent legislative amendments, it was recognized that there are various corporate and management structures within private schools in Alberta. Principals in private schools are not necessarily positioned to effectively carrying out the duties and responsibilities of a chief officer, as their position is often subordinate to other individuals within the organization. As a result, the *Public Interest Disclosure (Whistleblower Protection) Regulation* was amended, and as of March 1, 2018, the operator of a private school is designated as the chief officer in respect of all private schools. As the operator of a private school has administrative responsibility and legislative accountability for the private school, it reasoned the operator would be most effective at carrying out the duties and functions of a chief officer.



Any recommendations for improvement that the Commissioner considers appropriate

Legislative Changes Took Effect

Amendments to the Act took effect March 1, 2018, one month before the end of this reporting period. Similar to all legislation, time is required to determine if there are any gaps or additional needs that have not been addressed. The areas that our office saw as opportunities for improvement have been addressed in the amended legislation.

Organizational Improvements

Last year, we observed that few employees we interacted with were aware of the protection provisions provided by the Act, and we identified a need for chief officers to widely communicate information concerning the Act to employees. We are pleased to see very proactive steps taken by public sector organizations, and particularly the Public Service Commission, in promoting the Act and the legislative amendments to employees. We are encouraged to see signs that the cultural change around whistleblowing that we have aspired to for the last five years is being embraced within parts of the public sector, and encourage chief officers to continue to foster an environment where employees and management share a common goal of detecting and remedying wrongdoing.



BUSINESS PLAN RESULTS FOR THE 2017-18 FISCAL YEAR

An effective public service depends on the commitment of everyone working within it to maintain the highest possible standards of honesty, openness and accountability. The *Public Interest Disclosure (Whistleblower Protection) Act* (PIDA or the Act) creates a safe avenue for public servants to speak out about wrongdoings, and protects them for doing so. Under the Act, the role of the Public Interest Commissioner is to facilitate the disclosure process and conduct fair and impartial investigations of matters that an employee believes may be unlawful, dangerous or harmful to the public interest. Our underlying mission is to work towards a change in culture where whistleblowing is embraced, and where employees are encouraged to come forward to report wrongdoing without fear of reprisal.

For the 2017-18 fiscal year, we identified three strategic priorities, outlining our commitment to enhance the service our office provides to the public sector. These short- and long-term goals were focused on ensuring employees in the public service were aware of the Act and the protection provisions afforded to them. They were also focused on ensuring public entities were given the support needed to implement effective internal procedures.

The following desired outcomes, goals and performance results outline our specific commitments and describe how we fared to the 2017-18 fiscal year targets.

Desired Outcome One: Service Excellence

In conducting professional, unbiased investigations, our office prioritizes the development of positive and collaborative working relationships with all parties. We work extensively with employees, providing advice and direction to help them in navigating the Act and engaging internal processes when appropriate. Additionally we deliver advice, guidance and subject matter expertise to chief and designated officers in the development of their whistleblower policies and procedures.

Goals:

- Investigations are timely and demonstrate the highest level of professionalism, competence and confidentiality.
- Employees of the office are skilled, engaged and able to provide service at a high level.
- Annual reporting to the Legislative Assembly on the performance of the Commissioner's functions and duties, in accordance with the Act.

Performance Measures and Results

	Actual 2015-16	Actual 2016-17	Target 2017-18	Actual 2017-18
1.a Investigation timeline compliance	75%	82%	70%	89%
1.b Percentage of PIC employees with a learning plan	50%	80%	100%	40%
1.c Percentage of employees who engaged in professional development opportunities	75%	80%	80%	100%



- The investigations concluded in the 2017-18 fiscal year were subject to a 110-day investigation period and we strive to achieve this goal prior to requesting an extension. Our office saw a 7% improvement in our investigation timeline compliance over the prior fiscal year. We attribute this to improved understanding of the role of the Public Interest Commissioner with organizations we investigated, as well as established internal best practices which guided investigations more efficiently.
- Our office places a high value on the training and professional development of all employees and we work to encourage and engage team members in career growth, both inside and outside of this organization. Employees worked with management to identify professional development opportunities that would enhance skill sets and the overall expertise of the office. Staff who did not have professional development and learning plans were due for planned retirements in the 2017-18 fiscal year.

Desired Outcome Two: Enhanced Awareness of the Act and Public Interest Commissioner

The Act assigns the chief and designated officer within organizations accountable to PIDA legislation as responsible for establishing written procedures and widely communicating information about the Act and its protections. Our office plays an active role in enhancing public sector employee awareness of the Act and the services the office of the Public Interest Commissioner provides. In fiscal year 2017-18, this included education and awareness initiatives designed to reach employees within the public sector, who may not have been aware of the protections the Act provides. We conducted presentations about the role of our office, participated in meetings with key stakeholders and developed promotional/educational materials for print and website distribution.

Goals:

- Employees understand the rights and protections afforded them by the Act.
- Supervisors and management understand their responsibilities as well as the role of the Commissioner.
- A public sector culture exists where employees are encouraged to disclose wrongdoings, and management effectively and appropriately addresses the wrongdoing.
- All entities included in the Act have implemented compliant internal procedures and processes.

Performance Measures and Results

	Actual 2015-16	Actual 2016-17	Target 2017-18	Actual 2017-18
2.a Percentage of entities checked and advised procedures are in place	48%	92%	85%	95%
2.b Increase website visits and electronic disclosures received via website and increase by 2% per year	23,390	16,973	20,400	17,994
2.c Presentations/information sessions conducted	22	25	20	11



- Our office continues to monitor all organizations included in the Act to ensure compliant procedures and processes are in place. Amendments to the Act were proclaimed in March 2018. In anticipation of changes to the legislation, our office undertook a comprehensive outreach initiative to notify 237 designated officers of the amendments. We reinforced the role of the office and offered to provide advice, information and resources, assistance in revising whistleblower protection policies, and assistance in providing education and awareness to employees.
- Our office focused on increasing visits to our website by improving search engine optimization settings and providing additional content and resources for employees and public entities. We saw a 6% increase in website visits over the prior year.
- In 2017-18, our office conducted 11 presentations. We presented to employees and management within public entities including the Government of Alberta, University of Alberta, Workers' Compensation Board, Alberta Health Services and Covenant Health. We also provided presentations to professional associations and attended the inaugural conference for the Association of Independent Schools & Colleges in Alberta. Given proclamation of the amendments was expected, we were aware that some of the content we possessed would not be current within a short period of time. For this reason, we chose to limit our presentations until we could be certain we were delivering complete and updated information.





Desired Outcome Three: Assisting with the Legislative Review

On March 1, 2018, amendments to the Act expanded the protections for employees in the public service who report wrongdoing. Public entities with responsibilities under the Act include Alberta government departments, Offices of the Legislature, provincial agencies, boards and commissions, school boards, publicly funded private schools, public sector health authorities, prescribed service providers, Members of the Legislative Assembly, the Premier and their offices.

Goal:

- A legislative review is completed, amendments are considered and clarity is achieved for public sector employees and management.

Performance Measures and Results

	Target 2017-18	Actual 2017-18
3.a Provide documents, assistance and subject matter expertise to facilitate the drafting of amendments	Complete April 2016	Completed
3.b Implement amendments to the <i>Public Interest Disclosure (Whistleblower Protection) Act</i> as required	Anticipated Spring 2018	Implemented March 2018

- Throughout the year, staff had regular contact and met with legislative reform lawyers and staff tasked with drafting these amendments. Our role was to provide subject matter expertise and feedback when requested and subsequently, PIDA was proclaimed March 1, 2018.
- On February 22, 2018, Commissioner Ryan joined Christina Gray, Minister of Labour and Minister Responsible for Democratic Renewal, at a press conference to announce the proclamation of amendments that would expand the Commissioner's jurisdiction and protection for whistleblowers.
- In anticipation of the amended legislation coming into force, our investigative team took proactive steps in communicating information on the amendments, including a simplified explanation on how whistleblower protection policies would need to change. Educational resources, templates and role-specific responsibilities were made available on our website or in-person, as required.
- Through changes to internal policy and procedures, updating our case management system, and providing internal training, our investigative unit was prepared to implement the necessary operational changes on proclamation of the amended Act.



FINDING WRONGDOING IS GOOD – HOW A SUCCESSFUL WHISTLEBLOWER PROGRAM WORKS

Acting in good faith, whistleblowers have the power to bring to light issues that might otherwise go unnoticed and unresolved. Organizations committed to the highest standards for ethical business practices will see this positive action for what it is; the opportunity to protect those who have the courage to speak out and effectively problem-solve wrongdoing in the workplace.

“People need to feel comfortable and not exposed, they need to feel safe. We want them to focus on what is the right thing to do without fearing retribution. There can’t be anything more important than the integrity of the organization. We need to develop a mechanism (for reporting) that works; encourage its use and help our people understand.”, states Steve Blakely, Chief Executive Officer for Agriculture Financial Services Corporation (AFSC) since May 2018.

For 80 years, AFSC has provided Alberta’s agricultural producers farm-income disaster assistance, loans and crop insurance. It is a provincial Crown corporation, managed by a governance board responsible for the corporation’s strategic direction, safeguarding company resources, tracking performance and reporting to the Government of Alberta. AFSC has responsibilities under a number of statutes and regulations, including the *Agriculture Financial Services Act*, the *Agriculture Financial Services Regulation* and the *Public Interest Disclosure (Whistleblower Protection) Act* (PIDA or the Act).

The Lacombe-based corporation has been through some tough times, but recently things seem to be looking up. In June 2016, AFSC’s Board of Directors was dismissed after an examination into senior executives’ expenses and company procurement practices. An interim board was established and tasked with strengthening corporate governance and implementing the government’s recommendations for improvement. In April 2017, an eight-member permanent board was selected and in a press statement released by the Alberta government, AFSC’s new Chair, Jennifer Wood, stated: “As a board, our priority is to make sure AFSC management continues to keep pace with the evolving needs of agribusiness and conducts its operations in a transparent and accountable manner that reflects the expectations of Albertans.”

Since 2016, Dwayne Perry, Manager of Internal Audit and designated officer for AFSC, has maintained regular contact with our office, making use of the services the office provides in promoting effective whistleblower protection. Mr. Perry is accountable for all audit activity at AFSC, and operates independently of management, reporting directly to the board through the Chair of the Audit Committee. As designated officer responsible for the administration of the Act at AFSC, Mr. Perry has the authority to manage and investigate disclosures of wrongdoing.





In an interview with our office, Mr. Perry described the improvements to the corporation's Whistleblower Protection Program and the positive impact the new board of directors and chief executive officer have had on the organization.

"Between 2004 and 2015, AFSC received one disclosure," said Mr. Perry. "People were unsure to make use of the complaints mechanism in place. I think there was a lack of trust in the program and fear of retribution in making a complaint." In 2013, PIDA came into effect; however, the hotline in place at the time was not aligned with the requirements of the Act. Efforts have been placed on meeting the compliance requirements with PIDA as well as ensuring "we are doing everything we can to protect our employees and the integrity of AFSC. During 2017-18, the office of the Public Interest Commissioner provided our permanent board with training on the changes to PIDA, and oversight on their role and responsibilities in relation to the legislation; that meeting supported a change in AFSC's perspective on findings of wrongdoings. Finding and correcting a wrongdoing is a positive step because it means AFSC has an opportunity to address an issue, learn and improve from it."

An internal marketing campaign took place "to encourage use of the Whistleblower Protection Program and dispel a culture of fear; we took a multi-faceted approach with Human Resources and Communications working together to redevelop training programs. Training was normally less than 60 per cent fully completed and now we are bringing in above 99 per cent completion rates. We have seen a significant rise in the number of disclosures, which shows that people are using and trusting this program." The support from the new board and CEO of the importance of the whistleblower program "is instrumental in elevating this program as far as it has gone in such a short time. We went from a challenging time to a feeling of accomplishment. The tone from the top has had a tremendous impact."

The current Whistleblower Protection Policy, a Whistleblower Fact Sheet and a message from the Public Interest Commissioner can easily be found on AFSC's website. The policy was made effective March 21, 2018, just three weeks after the amended legislation was proclaimed. Available to anyone with internet access, the policy clearly outlines its purpose as well as the process for disclosure, confidentiality, investigative methods and reporting.

AFSC has retained a third-party Canadian company specializing in ethics reporting to support the confidential disclosure process. Employees, managers, staff and members of the public are free to make use of a telephone hotline or submit a report online. Reports will be assessed and distributed to the chief officer, designated officer and general counsel for review. The option to disclose directly to the Public Interest Commissioner is also provided, as per the Act.

In providing the mechanisms for employees to report wrongdoing in an open and encouraging way, corporations not only meet the legislative requirements as outlined in the Act, it demonstrates their commitment to a positive workplace culture where employees feel heard and respected.



TRANSPARENCY AND ACCOUNTABILITY – *A PRACTICAL APPROACH TO REVISING POLICY*



At times, our investigators take note of a group of individuals or an organization that stands out in a good way. In the revision of an internal whistleblower protection policy, Alberta Investment Management Corporation (AIMCo) frequently sought advice and subject matter expertise from the Public Interest Commissioner's office since October 2017.

AIMCo is one of Canada's largest institutional investment fund managers. AIMCo is responsible for the investments of 32 pension, endowment and government funds in Alberta. AIMCo is a Crown corporation, an entity owned by government but with commercial interests and operational mechanisms similar to a private enterprise.

In a report to Parliament on Crown corporations, the Treasury Board of Canada states:

“Crown corporations play a vital role in advancing government policy priorities and objectives in critical sectors from transportation and agriculture to culture and communications. With a mixture of public policy and commercial objectives, they are extraordinarily diverse and range in size from less than five employees to more than 45,000 Ideally, the Government of Canada's Crown corporations should be leaders as opposed to followers in adopting new and innovative best practices for effective governance, transparency, and accountability suited to the challenges of the 21st century.”

With high expectations for transparent and accountable governance, members of the Compliance Team at AIMCo's Edmonton headquarters take review of the company's whistleblower policy seriously. In an interview with Jessica Reddy, Senior Compliance Manager for AIMCo, we learned of one corporation's approach in making use of the *Public Interest Disclosure (Whistleblower Protection) Act* (PIDA or the Act) and a positive relationship with our office to revise policy.

Q. How did you become aware the *Public Interest Disclosure (Whistleblower Protection) Act* was being amended?

A. Our Compliance Department is responsible for identifying and assessing regulatory changes in all jurisdictions we do business in. In the course of this work, one of our staff, who subscribes to feeds from the Alberta Queens Printer, received notification that the Act was being amended. We conducted an in-depth review of the upcoming changes and consulted with the Public Interest Commissioner's office for further clarification on some of the changes and to seek advice on AIMCo's proposed changes to the Confidential Reporting Policy to ensure compliance.



Q. As you built the policy, what were your goals for the process?

A. Legislation can be complex and difficult to translate at times. Our goal was to amend the policy so that it was clear, concise and easy to understand for our employees. It was important for us to get ahead of the changing (PIDA) amendments and be knowledgeable about what the changes meant to AIMCo and be able to answer any questions from employees.

Q. What details were important for you to highlight?

A. The new definitions related to bullying, harassment and intimidation in the workplace were important to address. We have a Respectful Workplace Policy and in it we define bullying, harassment and intimidation along with an escalation process for employees to follow, should the need arise. We saw no challenges with this but wanted to highlight that internal procedures are in place for individuals to speak with leaders within our office.

Q. You remained in contact with our office for some time. What motivated you to approach this process as you did?

A. It is important for us to ensure we are “doing business the right way”, understand the proposed changes and how it will impact AIMCo. The Public Interest Commissioner’s office are experts in this area and we wanted to leverage this expertise to ensure we understood the changes, meet the obligations expected from us and be able to provide our employees with information and help understand the process to report wrongdoing.

Q. You mentioned the policy was presented to your board mid-April. Has the policy rolled out to employees? Were there particular areas of the Act that were highlighted?

A. We rolled the policy out to approximately 450 employees via our Compliance Newsletter. It’s one of the ways we convey important messages and bring employee awareness to changes in compliance policies, including the amendments to the whistleblower protection act.

Just recently, we worked with the Chartered Financial Analyst Institute to conduct interactive ethical decision-making training for all employees. The scenario-based training included discussion on reporting wrongdoing. Compliance staff were on hand to observe and answer questions from employees. In the workgroups I attended, there were no significant issues or conversations relating to changes of the whistleblower protection act.

Q. Looking back on the process to develop this policy as it relates to the whistleblower protection act, what would you do differently next time?

A. We took a comprehensive approach to the development of this policy and engaged the right people in the process. We consulted outside counsel who have experience in this area as well as the Public Interest Commissioner’s website and office. We worked hard to ensure the policy was clear and transparent on the process for employees to report wrongdoing.



**PUBLIC INTEREST
COMMISSIONER**

ANNUAL REPORT 2017-18



CASE EXAMPLES

A wide variety of issues are brought to our office by individuals concerned about a potential wrongdoing, or those seeking advice or direction. The Commissioner has significant discretion in how to address each case; however, in all circumstances, our office seeks the most appropriate avenue to address the individual's concerns. Once assessed, cases may be formally investigated, referred to another authority or informally resolved by other means. The following case summaries are representative of the types of cases brought to our office and how they are managed.

Investigation not required as issue already addressed by department (01 June 2017)

A disclosure alleged a department was not responding to complaints regarding the safety of children in care. The concerns were reviewed with the department and it was found the department was alive to the issues and was already addressing all of the concerns. An investigation was not initiated as it was determined the subject matter of the complaint was already appropriately being addressed by the department.

In certain circumstances, it is more efficient to make inquiries and review a disclosure with a public entity before initiating a full-scale investigation. Investigations can be time-consuming, pulling government employees away from their work of delivering services to the public. In this case, our office was able to confirm quite quickly the subject matter of the disclosure was already being addressed and a full-scale investigation was not required.

Often, due to privacy reasons, whistleblowers may be unaware of actions a department or public entity is taking in response to a complaint. Contacting a designated officer or the Public Interest Commissioner is an effective mechanism for employees to ensure their concerns about potential wrongdoing are being addressed.

Allegation of reprisal for having submitted a disclosure of wrongdoing (13 Jun 2017)

An employee within a provincial government department alleged he suffered a reprisal in the form of dismissal as a result of having submitted a disclosure of wrongdoing via email to the deputy minister.

Under the *Public Interest Disclosure (Whistleblower Protection) Act* (PIDA or the Act), an employee is protected from reprisal once they make a disclosure of wrongdoing to the Public Interest Commissioner or to their designated officer in accordance with the procedures established by their organization. A general complaint to a supervisor or to the administrative head of an organization does not automatically constitute a disclosure of wrongdoing.

An investigation into this complaint found the email sent to the deputy minister did not constitute a disclosure of wrongdoing. The email did not make any reference to PIDA or suggest that the email ought to be considered a disclosure under the Act. Therefore, the deputy minister could not have formed the intent to reprise against the employee for making a disclosure.



Employees who are concerned about wrongdoing in their organization are encouraged to seek advice from the Public Interest Commissioner or their designated officer as a first step. The employee can then receive advice on whether the matter is jurisdictional under the Act and the process for making a protected disclosure.

Alleged reprisal stemming from a change in position (16Jun2017)

An employee submitted a complaint of reprisal after his employer, a school division, elected to contract out the employee's position and move the employee to a new position. The employee alleged the employment action was taken as a result of reporting wrongdoing to his employer involving an incident that occurred in 2013.

In this case, a review of the allegations found the employee did not make a disclosure under the Act – a necessary element required to receive protections under the Act. Further, the complaint did not provide any connection between the change in duties and the alleged incident which occurred four years prior.

Issues already addressed prior to Commissioner's involvement (16Jun2017)

An allegation was received that management within a school division was ignoring safety issues relating to the delivery of materials, contrary to the *Traffic Safety Act*. The complaint further alleged a recently retired manager had misused government funds by operating a personal business from a warehouse owned by the school division.

A preliminary investigation by our office found that the school division was aware of the matter and had already taken appropriate corrective action. The Commissioner therefore declined to investigate the matter further.

Thorough investigation by public entity does not warrant further review by Commissioner (21Jun2017)

An employee of a public entity submitted a disclosure to the Public Interest Commissioner, dissatisfied with the outcome an internal investigation conducted by their designated officer. The internal investigation did not support a finding of wrongdoing.

A review found the investigation conducted by the public entity was thorough and comprehensive. No new evidence was provided by the complainant to dispute the facts of the investigation. The Commissioner therefore concluded that another investigation was not required.



Investigation concludes public school division did not create a danger to health and safety (11Aug2017)

A public school division was accused of creating a danger to the health and safety of staff and students following the discovery of mould in a dormitory-style residence. It was alleged the school division failed or neglected to maintain the residence resulting in mould contamination, and failed to respond to health and safety risks resulting from the mould.

The investigation found that although the presence of mould at the residence could have posed a potential health risk to certain individuals, the school division was not responsible for the maintenance of the residence; rather, the residence was owned by a private non-profit society and was leased to the school division. Further, the investigation concluded the school division responded appropriately when the mould was discovered by ensuring professional remediation occurred and by billeting students until the residence was deemed safe. The school division did not create a danger to the health and safety of individuals, and therefore wrongdoing did not occur.

Investigation finds no wrongdoing in discretionary decision to waive regulated requirements (12Oct2017)

It was alleged a senior manager within a government department contravened legislation by allowing individuals to conduct activities outside of regulated requirements. The investigation concluded the senior manager exercised discretion and made reasonable operational decisions which were permitted by the legislation. In this case, a wrongdoing did not occur.

Disclosure with not enough information leaves a department's hands tied (20Nov2017)

A deputy minister within a provincial government department received an anonymous letter alleging wrongdoing in relation to IT business, and collusion between vendors within a branch of the department. The deputy minister's office referred to the Commissioner for advice.

The anonymous letter was reviewed and the allegations were found to be vague and did not provide specific details. With no means of contacting the anonymous complainant, neither the Commissioner's office nor the department could obtain further details. The department was concerned about the allegations; however, due to the lack of information, an investigation could not be undertaken that would be fair or effective.

The Act protects employees who report wrongdoing. Further, it is required that the identity of the employee who reported the wrongdoing remain confidential. Employees should feel confident that their discussions with the Commissioner's office or with their designated officer will remain confidential. However, if an employee feels it is necessary to make a complaint anonymously, they should first seek advice from the Commissioner's office. The Commissioner's office can provide advice on the pros and cons of doing so, and discuss what information is needed in a complaint so that the matter can be investigated.



Finding wrongdoing not a bad thing (14Dec2017)

A designated officer with a provincial corporation contacted the Commissioner's office for advice. The designated officer received a disclosure of wrongdoing from an employee who had used their recently updated internal procedures. The matter was investigated and it was found wrongdoing had occurred. The designated officer initially sought clarification on whether the circumstances would require reporting the matter to the Commissioner.

There is no requirement for an internal investigation that results in a finding of wrongdoing to be reported to the Public Interest Commissioner. A chief officer is responsible for implementing corrective measures, and also providing a description of the wrongdoing and corrective measures taken in the annual report.

In the case of this public entity, what transpired is a prime example of how an effective whistleblower protection program should work – an employee was aware of the procedure for making a complaint and was confident in using it; the complaint was received and properly investigated; the matter was reported to the head of the organization so corrective measures could be taken; and the employee was satisfied with the outcome. In this regard, finding wrongdoing was not a bad thing, but rather a success story.

The designated officer was congratulated for his work on implementing a successful whistleblower protection program and was offered assistance on any future matters from the Public Interest Commissioner's office.

Extensive grievances do not warrant further involvement by Commissioner (22Dec2017)

A former employee of a school division made 34 allegations of wrongdoing against their former employer, the Board of Trustees, and the Superintendent. Nineteen of the allegations were determined to meet the definition of wrongdoing under the Act. However, the matters were already being addressed by more appropriate authorities; specifically, the Office of the Information and Privacy Commissioner of Alberta, and the Alberta Human Rights Commission. Further, two of the matters were before the court as part of a judicial review.

In circumstances where allegations are jurisdictional to the Public Interest Commissioner, however they are already being addressed by a more appropriate authority or through the courts, the Commissioner may decline to investigate the matter.



Investigation determines a transfer of funds was legitimate (07Feb2018)

A disclosure alleged public funds were illegitimately transferred between two public sector organizations through unsupported invoices. It was alleged this constituted a gross mismanagement of public funds.

The investigation found deficiencies in the authorization and approval of expenditures. The Management Board responsible had not fulfilled its duties relating to the preparation and approval of formal budgets, and the approval of financial commitments and expenditures.

Although the expenditures were not properly approved and financial arrangements were poorly documented, there was no indication attempts were made to transfer funds in a non-transparent manner. Moreover, the rationale for the expenditures was reasonable. The actions did not demonstrate a wilful or reckless disregard for the proper management of public funds, and therefore did not constitute gross mismanagement.

Allegations of bullying not considered gross mismanagement of employees (02March18)

PIDA was amended on March 1, 2018. The amendments, in part, expanded the Commissioner's jurisdiction to investigate gross mismanagement of employees. This type of wrongdoing is defined as a pattern of behaviour or conduct, systemic in nature that is impacting the culture of the organization relating to bullying, harassment and intimidation.

Following proclamation of the amended Act, an employee contacted the Commissioner's office alleging they were bullied by a supervisor in their workplace between 2015 and 2017. The employer had investigated the matter at the time; however, the employee was dissatisfied with the outcome.

The wrongdoing of gross mismanagement of employees does not apply to individual disputes between a manager and employee. For a matter to constitute a public interest disclosure, the complaint must not be based only on personal wrongs perceived to have been committed against an individual employee, but must have a public interest component attached to it. For the Commissioner to consider investigating an allegation of gross mismanagement of employees, the conduct must be systemic and be impacting the culture of the organization. Moreover, the Commissioner may only investigate allegations of gross mismanagement of employees if the subject matter occurred after the amended Act came into force on March 1, 2018.



**PUBLIC INTEREST
COMMISSIONER**

ANNUAL REPORT 2017-18

OFFICE OF THE PUBLIC INTEREST COMMISSIONER

FINANCIAL STATEMENTS

March 31, 2018



OFFICE OF THE PUBLIC INTEREST COMMISSIONER

FINANCIAL STATEMENTS

Year Ended March 31, 2018

Independent Auditor's Report **27**

Statement of Operations **28**

Statement of Financial Position **29**

Statement of Change in Net Debt **30**

Statement of Cash Flows **31**

Notes to the Financial Statements **32**

Schedule 1 – Salary and Benefits Disclosure **38**

Schedule 2 – Allocated Costs **39**

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 Office of the Public Interest Commissioner, which comprise the statement of financial position as at March 31, 2018, and the statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Office of the Public Interest Commissioner as at March 31, 2018, 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 W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General

July 5, 2018
Edmonton, Alberta



OFFICE OF THE PUBLIC INTEREST COMMISSIONER

STATEMENT OF OPERATIONS

Year ended March 31, 2018

	2018		2017
	Budget	Actual	Actual
Expenses - Directly Incurred (Note 2(b), 3 and Schedule 2)			
Salaries, Wages, and Employee Benefits	\$ 774,000	\$ 643,992	\$ 612,563
Supplies and Services	490,000	391,293	429,342
Amortization of Tangible Capital Assets	1,944	1,945	1,944
Program - Operations	1,265,944	1,037,230	1,043,849
Cost of Operations	\$ (1,265,944)	\$ (1,037,230)	\$ (1,043,849)

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



OFFICE OF THE PUBLIC INTEREST COMMISSIONER

STATEMENT OF FINANCIAL POSITION

As at March 31, 2018

	2018	2017
Liabilities		
Accounts Payable and Accrued Liabilities	\$ 13,376	\$ 18,436
Accrued Vacation Pay	59,562	51,924
	<u>72,938</u>	<u>70,360</u>
Net Debt	<u>(72,938)</u>	<u>(70,360)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 4)	-	1,945
	<u>-</u>	<u>1,945</u>
Net Liabilities	<u>\$ (72,938)</u>	<u>\$ (68,415)</u>
Net Liabilities at Beginning of Year	\$ (68,415)	\$ (64,740)
Cost of Operations	(1,037,230)	(1,043,849)
Financing Provided from General Revenues	1,032,707	1,040,174
Net Liabilities at End of Year	<u>\$ (72,938)</u>	<u>\$ (68,415)</u>

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



OFFICE OF THE PUBLIC INTEREST COMMISSIONER

STATEMENT OF CHANGE IN NET DEBT

Year ended March 31, 2018

	2018		2017
	Budget	Actual	Actual
Cost of Operations	\$ (1,265,944)	\$ (1,037,230)	\$ (1,043,849)
Amortization of Tangible Capital Assets (Note 4)	1,944	1,945	1,944
Financing Provided from General Revenue		1,032,707	1,040,174
Increase in Net Debt		\$ (2,578)	\$ (1,731)
Net Debt at Beginning of Year		(70,360)	(68,629)
Net Debt at End of Year		<u>\$ (72,938)</u>	<u>\$ (70,360)</u>

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



OFFICE OF THE PUBLIC INTEREST COMMISSIONER

STATEMENT OF CASH FLOWS

Year ended March 31, 2018

	2018	2017
Operating Transactions		
Cost of Operations	\$ (1,037,230)	\$ (1,043,849)
Non-Cash Items included in Net Operating Results:		
Amortization of Tangible Capital Assets	1,945	1,944
Increase in Accounts Payable and Accrued Liabilities	2,578	1,731
Cash Applied to Operating Transactions	(1,032,707)	(1,040,174)
Financing Transactions		
Financing Provided from General Revenues	1,032,707	1,040,174
Change in Cash	-	-
Cash at Beginning of Year	-	-
Cash at End of Year	\$ -	\$ -

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



OFFICE OF THE PUBLIC INTEREST COMMISSIONER

NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2018

NOTE 1 AUTHORITY AND PURPOSE

The Office of the Public Interest Commissioner (the Office) operates under the authority of the *Public Interest Disclosure (Whistleblower Protection) Act*.

The Office manages, investigates and makes recommendations respecting disclosures of wrongdoings relating to department and public entities and reprisals relating to public service employees.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

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

The Office adopted the following standards from April 1, 2017:

PS 2200 Related Party Disclosures;
PS 3420 Inter-Entity Transactions;
PS 3210 Assets;
PS 3320 Contingent Assets; and
PS 3380 Contractual Rights.

The adoption of these standards, with the exception of PS3420 Inter-Entity Transactions (reflected in Schedule 2), have no material impact on the Office's financial statements; therefore no further notes or schedules have been included.

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

(a) Reporting Entity

The reporting entity is the Office of the Public Interest Commissioner, which is a legislative office for which the Public Interest Commissioner is responsible. The Office's annual operating budget is approved by the Standing Committee on Legislative Offices.



OFFICE OF THE PUBLIC INTEREST COMMISSIONER

NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2018

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

(a) Reporting Entity (Cont'd)

The cost of the operations of the Office is borne by the General Revenue Fund of the Province of Alberta which is administrated by the President of Treasury Board, Minister of Finance. All cash disbursements made by the Office are paid from the Fund.

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

Incurred by Others

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



OFFICE OF THE PUBLIC INTEREST COMMISSIONER

NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2018

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

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

Valuation of Liabilities

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

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

Liabilities

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

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.



OFFICE OF THE PUBLIC INTEREST COMMISSIONER

NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2018

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

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

Non-Financial Assets (Cont'd)

Tangible Capital Assets

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

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

(c) Net Debt

Net debt indicates additional cash required from the Fund to finance the Office's cost of operations to March 31, 2018.

NOTE 3 SUPPORT SERVICES ARRANGEMENTS

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

The Offices of the Ombudsman and Public Interest Commissioner have a formal support services agreement (the agreement) for provision of shared services.

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



OFFICE OF THE PUBLIC INTEREST COMMISSIONER

NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2018

NOTE 3 SUPPORT SERVICES ARRANGEMENTS (Cont'd)

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

The shared services allocation is included in the voted operating estimates and statement of operations as a cost recovery for the Office of the Ombudsman and as a supplies and services expense for the Office of the Public Interest Commissioner.

For 2017-18, the Office's supplies and services expense for services provided by the Office of the Ombudsman was \$313,614 (2017 - \$351,291).

NOTE 4 TANGIBLE CAPITAL ASSETS

		2018		
	Useful Life (yrs)	Cost	Accumulated Amortization	Net Book Value
Computer hardware and software	3	\$ 5,833	\$ 5,833	\$ -
		2017		
	Useful Life (yrs)	Cost	Accumulated Amortization	Net Book Value
Computer hardware and software	3	\$ 5,833	\$ 3,889	\$ 1,945

In 2017-18 and 2016-17, there were no tangible capital asset additions or disposals.



OFFICE OF THE PUBLIC INTEREST COMMISSIONER

NOTES TO THE FINANCIAL STATEMENTS

Year ended March 31, 2018

NOTE 5 DEFINED BENEFIT PLANS (IN THOUSANDS)

The Office participates in the multi-employer Management Employees Pension Plan and Public Service Pension Plan.

The expense for these pension plans is equivalent to the annual contributions of \$78 for the year ended March 31, 2018 (2017 - \$77). At December 31, 2017, the Management Employees Pension Plan had a surplus of \$866,006 (2016 surplus \$402,033), the Public Service Pension Plan had a surplus of \$1,275,843 (2016 surplus \$302,975) and the Supplementary Retirement Plan for Public Service Managers had a deficit of \$54,984 (2016 deficit \$50,020).

The Office also participates in the multi-employer Long Term Disability Income Continuance Plan. At March 31, 2018, the Management, Opted Out and Excluded Plan had a surplus of \$29,805 (2017 surplus \$31,439). The expense for this plan is limited to the employer's annual contributions for the year.

NOTE 6 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Public Interest Commissioner.

OFFICE OF THE PUBLIC INTEREST COMMISSIONER

SALARY AND BENEFITS DISCLOSURE

Year ended March 31, 2018

	2018				2017
	Base Salary	Cash Benefits ⁽¹⁾	Non-Cash Benefits ⁽²⁾	Total	Total
Senior Official ^{(3) (4) (5) (6)}					
Ombudsman/Commissioner	\$ 188,193	\$ 34,465	\$ 9,394	\$ 232,052	\$ 333,195
Executive					
Director ^{(7) (8)}	\$ 153,293	\$ -	\$ 33,003	\$ 186,296	\$ 167,941

- (1) Cash benefits are pension-in-lieu payments, vehicle allowance and vacation pay-out.
- (2) Non-cash benefits include the Office's share of all employee benefits and contributions or payments made on behalf of employees including pension plans, CPP/EI employer premiums, extended health care, dental coverage, group life insurance, and long-term disability premiums.
- (3) For 2017-18, automobile provided to April 16, 2017. The lease, insurance and operating costs of \$1,903 are included in other non-cash benefits. The Ombudsman/Commissioner received a taxable benefit at December 31, 2017 of \$4,925 (2016-\$14,944).
- (4) The position 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 2017-18 and 2016-17.
- (5) Note 3 on the Notes to the Financial Statements provides information regarding allocation of shared services costs for financial statement presentation.
- (6) The position was occupied by two individuals during the year as the first individual retired on April 16, 2017 and the incumbent commenced on July 1, 2017.
- (7) The Director, Public Interest Commissioner was appointed Acting Public Interest Commissioner from April 16 to June 30, 2017.
- (8) The Director was also Acting Deputy Ombudsman for the period August 14, 2017 to March 31, 2018.

OFFICE OF THE PUBLIC INTEREST COMMISSIONER

ALLOCATED COSTS

Year ended March 31, 2018

Program	Expenses ⁽¹⁾	2018 Expenses - Incurred by Others		Total Expenses	2017
		Accommodation ⁽²⁾	Telephones ^{(3) (4)}		Total Expenses
Operations	\$ 1,037,230	\$ 35,894	\$ 938	\$ 1,074,062	\$ 1,081,127

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

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

(3) Telephones - Service Alberta's costs for the Office's telephone lines for April 1 to October 31, 2017.

(4) Effective November 1, 2017, the Office of the Public Interest Commissioner commenced direct payment for all telephone related expenses. Service Alberta is no longer responsible the Office's telephone services.



**PUBLIC INTEREST
COMMISSIONER**

Edmonton Office

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

E-mail: info@pic.alberta.ca

Phone: 780.641.8659

Toll Free: 1.855.641.8659

Website: www.yourvoiceprotected.ca