



Year One: A Review.



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Public Interest Commissioner Peter Hourihan.

Message from the Commissioner

I am very pleased to present the first Annual Report of the Public Interest Commissioner for Alberta. Last year, I was appointed Alberta's first Public Interest Commissioner, a role I was honoured to accept, in addition to my duties as the province's Ombudsman. Our shared location with the Ombudsman's office works well. The duties and responsibilities of both are complementary, their philosophies are very similar, and we share resources, all of which allows us to be even more efficient with public funds.

Last spring, our offices in Edmonton and Calgary began operations. It wasn't long before the phones started to ring, and the emails began landing in our inbox. These were mostly inquiries by public entities and employees within the public sector, trying to familiarize themselves with the new Act and the requirements or opportunities within.

Our goal was to be fully operational and ready to answer those phone calls and emails by June 1, 2013, and I am proud to say we were. We hired a team of investigators with experience in government, policing, and corporate and fraud investigations within the private sector. The Public Interest Commissioner's office also shares legal counsel, a communications manager, and administrative staff and resources with the Ombudsman's office.

Behind the scenes, our team has been busy creating policies and investigative procedures to ensure our approach is as robust and well-planned as possible. Our statistics section (page 44) demonstrates the type of work we have done so far, and the time we spent crafting and refining our investigative approach has allowed us to perform high-quality investigations.

Whistleblowing is something most Albertans likely have some knowledge about, often from media reports, and usually involving high profile cases. However, as we've continued to find over the past year, not nearly enough people know how the *Public Interest Disclosure (Whistleblower Protection) Act* works.

“Our goal was to be fully operational and ready to answer those phone calls and emails by June 1, 2013, and I am proud to say we were.”

There is also some confusion about the important role our office plays, and how employees can disclose wrongdoing internally.

This annual report outlines and explains all of these roles and responsibilities. In addition, we’ve also crafted an awareness campaign targeted at staff and managers in Alberta’s jurisdictional public entities. That’s about 200,000 staff, spread across hundreds of entities as diverse as hospitals, government departments, and school districts. We started with a poster campaign, and followed up with face-to-face meetings with employees and managers alike.

We also launched a new website, www.yourvoiceprotected.ca, in March 2014. It is easy to navigate, and provides both employees and chief and designated officers with the information they need.

This annual report explains in more detail the work we’re doing to build awareness (see page 26). We’re proud that not only are we one of the first public interest organizations to implement an awareness campaign on this scale, but we’re equally excited about the quality and creativity behind our work. Awareness is a key part of ensuring a successful whistleblowing mechanism, and we think we’ve made the right start – and we’re committed to adjusting our efforts to continue down the most effective path.

Our team is also engaged in a strategic planning process, following similar work undertaken in recent years by the Alberta Ombudsman. Of course, the goal is to ensure we continue to innovate, change and meet the needs of the public sector – and the public at large. From investigating technological tools to ensuring we maintain positive and professional relations with the public sector, our plan is designed to keep our office on the right track.

Finally, by 2015, the Act will be reviewed by the Alberta legislative assembly. To prepare for that work, our office will be tracking the contact (including the number and type of calls) we have with employees and others who disclose to our office. The goal is to provide an accurate portrayal of the types of issues and public entities we deal with, whether they are jurisdictional or not.

So, down the road, if our analysis shows we receive substantial interest from delegated or contract services such as physicians who operate a private practice but are not under contract with



Investigators and staff in Edmonton join their Calgary colleagues on a videoconference to discuss an ongoing investigation.

Alberta Health Services, we may recommend government consider expanding jurisdiction of the Act.

Demonstrating public confidence in our office underlies everything we do. To that end, conducting professional and thorough investigations, ensuring awareness of our office, and ensuring our strategic objectives are being met has been, and will continue to be, our focus.

Given this is our first 10 months of operation, I have often been asked why the office is not busier.

My perspective is this: first, we have been receiving calls and queries (as our statistics demonstrate on page 44), but employees and managers in government departments and other public entities are still learning about our office and role.

In today's busy world, communication is swift, and it takes time to build awareness. We are still early in our development, and I believe as more employees become aware of us, the calls will increase.

In fact, awareness is a key part of raising our profile, and sustaining it. Other jurisdictions have found awareness efforts actually drive their complaints or inquiries. Therefore, it is important the various government departments, agencies, boards, commissions, and public entities ensure employees are aware of the Act.

Both employees and employers are responsible for ensuring the proper and orderly delivery of an individual's job requirements, and a workplace's obligations. However, when things break down or go wrong, and a workplace is unable or unwilling to deal with it, the Public Interest Commissioner's office stands ready to offer support and guidance in reviewing and possibly investigating issues brought to our attention. When someone joins Alberta's public sector, it's an important investment for both employee and employer.

The Government of Alberta has publicly acknowledged that public interest disclosure is an important part of its efforts to promote openness and transparency.

Our office is poised to offer exactly this, and we encourage employees, managers and the public entities they work with to embrace this. Whistleblowing is beneficial and necessary to ensure a well-functioning public sector.

We all need to be a part of its success.

Strategic Plan

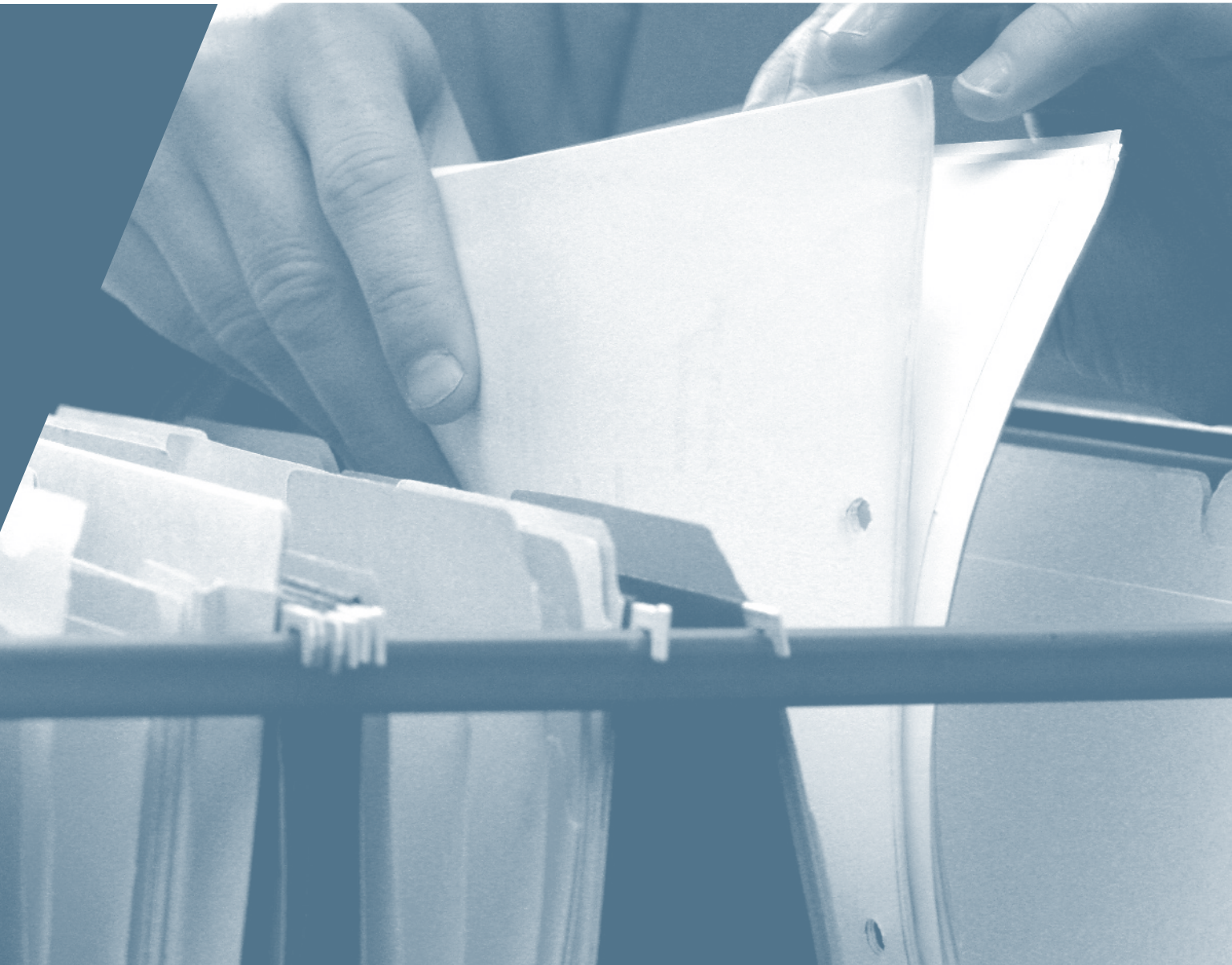
Introduction

As Alberta's Ombudsman, I was appointed the province's first Public Interest Commissioner. The focus and mandates of the two offices align effectively, and share the foundation of ensuring administrative and procedural fairness. Although investigative requirements are similar, each office will conduct investigations independently of each other. Financial considerations are maximized through the co-location and sharing of administrative and other support functions with Ombudsman resources.

As a new independent office of the Legislature, we are establishing a number of baselines in our Strategic Plan. As these baselines are established, we will modify our strategies and direction to best meet the needs of the public sector and our office. This will assist in meeting our goals and developing effective short, medium and long-term goals. As is the case with the Ombudsman's office, we are committed to innovate and change to provide the best service to Albertans.



Peter Hourihan, B.Admin., LL.B.
Public Interest Commissioner





STRATEGIC PRIORITIES

We identified four strategic priorities for inclusion in our Strategic Plan. These areas are of significant importance, and require a dedicated focus to ensure we are effective and add value for Albertans:

- **Enhanced awareness of the Public Interest Commissioner.**
- **Provide excellent service.**
- **Foster a positive work environment.**
- **Explore technology.**

From our strategic priorities, we developed various goals, initiatives and targets.

The following outlines our priorities, goals and initiatives for our first year of operation.

Strategic Priority One: Enhanced Awareness of the Public Interest Commissioner

Goal:

To promote a public sector culture that encourages employees to report wrongdoings in their workplace, and management to address the wrongdoings appropriately and effectively – while ensuring employees understand the role of the Public Interest Commissioner.

Initiatives:

- Continue to update an informational website for the Public Interest Commissioner. The website provides an explanation of the Act, detailed information for employees and management, and secure online forms that allow employees to disclose a wrongdoing or complain of a reprisal.
- Develop and launch an awareness campaign focused on enhanced employee and employer understanding of the Act, our office, and promoting confidence in both the legislation and the Public Interest Commissioner.
- Proactively identify opportunities to provide informational presentations to employees and/or designated officers at conferences and meetings.

Comments:

- As the office of the Public Interest Commissioner is newly established, the quarterly targets identified above have been developed through analysis of the limited data collected over the initial few months of operation. Once a full year of operation has been completed, baseline levels will be determined leading to increasingly more accurate and challenging target levels for future planning.
- The *Public Interest Disclosure (Whistleblower Protection) Act* places responsibility on chief and designated officers to widely communicate to the employees of their public body. As a result, we will assist chief and designated officers in meeting their requirements under the Act within their work environment, in addition to implementing an independent awareness campaign.

Goal:

All departments, public entities and offices of the Legislature are compliant with the minimum requirements of the *Public Interest Disclosure (Whistleblower Protection) Act*.

Initiatives:

- Ensure all departments, public entities and offices of the Legislature under the Act have established chief and designated officers.
- Ensure chief and designated officers establish and implement procedures that meet the minimum requirements as defined in the Act.

Comments:

- The Act requires all jurisdictional public sector bodies identify chief and designated officers and ensure procedures are established to manage disclosures of wrongdoing and complaints of reprisals. The office of the Public Interest Commissioner will ensure the appropriate public sector bodies comply with their immediate and preliminary responsibilities under the Act.
- Since June 1, 2013, Public Interest Commissioner staff have begun to identify jurisdictional public sector bodies and are working with them to track and update these figures.

Strategic Priority Two: Provide Excellent Service

Goal:

Provide consistent and thorough investigations demonstrating the highest level of competence, professionalism and confidentiality.

Initiatives:

- Develop and implement an Investigative Procedures Manual for the Public Interest Commissioner.
- Institute internal managerial oversight to ensure investigations are conducted within the timelines defined by the Act.

Comments:

- Providing a consistent level of high-quality investigations will provide confidence to potential whistleblowers to consider coming forward with disclosures. We will also work to inspire confidence of chief and designated officers and work collaboratively to ensure all matters in the public interest receive timely attention and resolution.
- Internal managerial oversight will: track timelines for all investigations conducted by the Commissioner, per the Act's regulations, and report all cases where timelines were not met or extensions were required; track the number of disclosures of wrongdoing reported to the Commissioner; track the number of disclosures of wrongdoing referred back to the employee's public entity; and track the number of complaints of reprisal reported to the Commissioner.

Goal:

Support clients and stakeholders effectively and efficiently when disclosing wrongdoings and making complaints of reprisals, and manage internal disclosures of wrongdoing.

Initiatives:

- Track all inquiries from employees seeking information or clarity related to the Act and/or the disclosure of wrongdoing or complaint of reprisal.
- Provide clarification and interpretation to chief and designated officers concerning the Act, as required.
- Ensure information and supporting documentation is relevant on the website to assist chief and designated officers in effectively fulfilling their responsibilities under the Act.
- Provide a review of procedures in accordance with the Act, and provide comment when appropriate and requested by jurisdictional public bodies.

Comments:

- Collect and analyze data to determine the needs and areas of risk to clients to effectively allocate internal resources and support.
- Evolve methods and tactics to better serve employees and chief and designated officers.

Strategic Priority Three: Foster a Positive Work Environment

Goal:

Define and validate a positive work environment.

Initiatives:

- Research other best practices.
- Involve personnel on positive elements and group norms.

Comment:

- The office of the Public Interest Commissioner is integrating with the office of the Alberta Ombudsman to establish a consistent code of conduct.

Goal:

The Calgary and Edmonton offices of the Public Interest Commissioner function as a single entity.

Initiatives:

- Proactively monitor both offices to ensure consistent business processes are implemented and shared.
- Encourage team approach and participation in investigations and the development of business strategies.

Comments:

- Ensure inclusion of both offices in the development, implementation and deployment of work strategies.
- Maintain consistent and frequent meetings and ensure employees are equally engaged.

Goal:

To ensure personnel are well-equipped to perform their duties.

Initiative:

- All personnel will receive a minimum of five days of professional development in the fiscal year in accordance with their learning development plan.

Comment:

- Professional development tied to goals in learning development plan. Will vary depending on availability of courses and other opportunities.

Strategic Priority Four: Explore Technology

Goal:

Ensure technology is used effectively.

Initiative:

- Conduct a needs assessment of technology.

Comment:

- Building on the previous research conducted by the Alberta Ombudsman, the Public Interest Commissioner is engaging in a joint effort to determine the most suitable case management system.

How Alberta's Public Interest Disclosure Process Works

About the Public Interest Commissioner's office

An effective public service depends on the commitment of everyone who works in it to maintain the highest possible standards of honesty, openness and accountability. The *Public Interest Disclosure (Whistleblower Protection) Act* creates a safe avenue for public servants to speak out about wrongdoings or make complaints of reprisal. Employees covered by this legislation can choose whether to report internally or directly to the Public Interest Commissioner.

Our job is to conduct thorough investigations if employees disclose wrongdoing or complaints of reprisal to our office. Our larger aim is to promote a culture within the public sector that encourages employees and management to report wrongdoings in their workplace.

No matter who you report to, you are equally protected from reprisals.

Role of the Commissioner

The Commissioner provides oversight of disclosures and investigations, and investigates complaints of reprisal in the public sector covered by the *Public Interest Disclosure (Whistleblower Protection) Act*, which came into force June 1, 2013.

The legislation applies to the Alberta public service, provincial agencies, boards and commissions, as well as academic institutions, school authorities (including school boards, charter schools, accredited private schools that receive grants, and Early Childhood Services operators), and public sector health organizations (including Alberta Health Services, Carewest, Covenant Health, and the Lamont Health Care Centre). Health care professionals appointed to the medical or professional staff of a public organization, or who hold privileges with one, are also protected under the Act.

The Act also requires public entities to establish an internal process to manage and investigate reports of wrongdoing. Under the legislation, public sector bodies are encouraged to appoint a designated officer within their organization to investigate and resolve: complaints by employees who report violations of provincial or federal law; acts or omissions that create a danger to the public or environment; and gross mismanagement of public funds.

If no designation is made, the responsibility falls to the chief officer. Employees not satisfied with the internal outcome or who believe they were a victim of reprisal can take their complaint to the office of the Public Interest Commissioner. Employees can also report simultaneously to the chief officer and the Public Interest Commissioner.

The *Public Interest Disclosure (Whistleblower Protection) Act*

The Act applies to provincial government departments, offices of the Legislature and to public entities. Public entities include any agency, board, commission, Crown corporation, or entities within the education and health sectors designated in the regulations.

The purposes of the Act are to:

- Facilitate the disclosure and investigation of significant and serious matters an employee believes may be unlawful, dangerous or injurious to the public interest.
- Protect employees who make a disclosure.
- Manage, investigate and make recommendations respecting disclosures or wrongdoings and reprisals.
- Promote public confidence in the administration of the departments, legislative offices and public entities.

The regulations were approved by Cabinet on May 15, 2013.

Timelines:

The regulations of the *Public Interest Disclosure (Whistleblower Protection) Act* establish the following timelines for managing disclosures:

- Time to acknowledge receipt of disclosure: Five business days from date disclosure received.
- Time to conduct preliminary analysis: 10 business days from date disclosure is received.
- Time to conduct investigation and reporting of findings: 110 business days from date disclosure is received.

Fines:

The Act establishes strict penalties of up to \$25,000 for the first offence, and up to \$100,000 for each subsequent offence. Offences include the following:

- Committing a reprisal (Section 24 of the Act).
- Withholding information, making a false or misleading statement, or counselling or directing another person to do so (Section 46 of the Act).
- Obstructing, counselling or directing another person to obstruct, any individual acting in an official capacity under this Act (Section 47 of the Act).
- Destroying, mutilating, altering, falsifying, or concealing any document or thing that may be relevant to an investigation; or directing or counselling another person to do so (Section 48 of the Act).



Eunice Kondro, an Edmonton-based investigator, meets with Daniel Johns, an Ombudsman investigator, to discuss a recent case. Because we work closely with the Ombudsman, we can leverage support and services between the two offices.

How our office works

The office of the Public Interest Commissioner employs trained investigators to provide advice and conduct investigations as required regarding disclosures and complaints of reprisals for employees of government ministries, agencies, boards and commissions and other jurisdictional public entities.

We are an independent body, examining disclosures on a case-by-case basis.

We share an office with the Alberta Ombudsman, who ensures fairness in how Alberta government departments, agencies, boards or commissions, professional organizations, and the patient concerns resolution process of Alberta Health Services operate.

What is a wrongdoing?

Wrongdoing is defined as:

- A contravention of an act, a regulation made pursuant to an act, an act of the Parliament of Canada, or a regulation made pursuant to an act of the Parliament of Canada.
- An act or omission that creates an imminent risk to the health and safety of individuals, or a specific threat to the environment.
- Gross mismanagement of public funds or a public asset.
- Knowingly counselling an individual to commit a wrongdoing mentioned above.

While wrongdoings can focus on one issue, they are generally more complex, and can involve multiple issues. For example, a March 2012 report by the federal Public Sector Integrity Commissioner found a manager with Human Resources and Skills Development Canada misused public funds and assets, contravened acts of Parliament, misappropriated funds and counselled others to commit wrongdoing.

According to the report, tabled in Parliament, the specifics included:

- Claiming mileage on a personal vehicle while using a government vehicle, and using it for personal matters.
- Hiring a friend with inferior qualifications to a position where a qualified candidate was available and ready to work.
- Purchasing personal televisions and expensing them to government.

The manager also used government-purchased office supplies for a personal business operated out of the manager's government office.

What is a reprisal?

Reprisals can take many forms, and may include:

- A dismissal, layoff, suspension, demotion or transfer, discontinuation or elimination of a job, change of work location, reduction in wages, changes in hours of work or a reprimand.
- Any measure that adversely affects the employee.
- A threat to make any of the previously mentioned actions.

Protection is provided by the *Public Interest Disclosure (Whistleblower Protection) Act* to employees who make a disclosure of wrongdoing, participate in the investigation of a disclosure, or who refuse to participate in a wrongdoing, and, in so doing, face adverse employment action (or reprisals). The Act also protects employees who seek advice from the Public Interest Commissioner, or their workplace's designated officer.

If you want to make an allegation of reprisal, or feel you have been the subject of a reprisal, you can choose whether to contact the Public Interest Commissioner's office, or your workplace's designated officer. At any time, employees can contact the Public Interest Commissioner directly if they wish to seek advice or if they choose to report their complaint to the Commissioner.

The Act is not intended to deal with routine operational or human resources matters. Employees should follow their organization's existing procedures to deal with those concerns.

How do employees make a disclosure?

Employees can disclose an allegation of wrongdoing either through their employer's internal disclosure procedure, or through the Public Interest Commissioner.

Internal

Employees are encouraged to follow their organization's internal procedures for reporting a wrongdoing. Each public entity is responsible for establishing these procedures. A chief officer is responsible for a public entity's compliance under the Act. The chief officer is essentially the person at the top of an entity's organization chart, for example, the superintendent of a school district or the CEO of Alberta Health Services.

A chief officer is responsible for:

- Establishing internal disclosure procedures.
- Appointing a designated officer.
- Communicating with employees about the Act, and how to make a disclosure.
- Receiving and implementing recommendations resulting from investigations.
- Fulfilling annual reporting obligations.

A designated officer is responsible for the day-to-day operation of an organization's wrongdoing disclosure process, including:

- Receiving disclosures of wrongdoing and assessing whether or not they can investigate.
- Conducting investigations into allegations.
- Ensuring appropriate protection of information and writing a summary report of their findings.
- Ensuring the chief officer is aware of investigations.

Public Interest Commissioner

There are circumstances when an employee may wish to report an allegation of wrongdoing directly to the Public Interest Commissioner. These are:

- If an employee is considering reporting a wrongdoing to their designated officer, they may seek advice or information from the Public Interest Commissioner.
- If an employee has disclosed an allegation of wrongdoing to their designated officer, and they are unhappy with the outcome or feel the matter is unresolved, employees may disclose those allegations to the Commissioner.
- If there are no internal procedures at an employee's workplace.
- If employees feel there will be a reprisal against them if they disclose an allegation.
- If the Commissioner has determined an entity's procedures do not meet the necessary criteria.
- If the employee's designated or chief officer is involved in the wrongdoing.
- If employees believe the matter constitutes an imminent risk.

Chief and designated officers

Many public servants choose to report wrongdoings internally to their employer or organization. Chief or designated officers will often be the first point of contact for an employee who wishes to speak out.

The role of chief and designated officers is to support and provide advice to the employee considering making a disclosure, and also to assess, investigate as required, and manage reports of wrongdoings.

Developing procedural guidelines

Some overall responsibilities to be considered by public entities include:

- Identifying their chief officer.
- Designating a senior officer (designated officer) to administer the internal process.
- Developing an internal disclosure process that meets the minimum requirements of the Act.
- Training managers and staff so they're familiar with the internal disclosure process and legislation.
- Ensuring performance management criteria are tracked for inclusion in the public entity's annual report.



What's Wrong? And

The *Public Interest Disclosure (Whistleblower Protection) Act* focuses on wrongdoings.

Employees can generally recognize something that's wrong. Wrongdoing, on the other hand, is a challenging concept to define, and there is no clear distinction between *wrongdoing* and *wrong*.

The Act sets out a definition in Section 3(1) (see page 18 for the full definition). It differentiates a wrongdoing from a wrong by using words such as *contravention*, *substantial and specific danger*, and *gross mismanagement*. These terms are all significantly outside what would be considered reasonable, or merely something that's wrong.

Despite this, the Act provides no distinction between a wrongdoing, and something wrong. So where does that leave our office, the chief and designated officers who receive disclosures of wrongdoing, and employees who don't understand the distinction?

It depends on the facts in any given situation.

Employees who observe or experience inappropriate behaviour or activities are left to decide if it is something that should be reported. Employees often ask us whether they should disclose a wrongdoing if they're not sure their complaint meets the threshold set out in the Act.

What's Wrongdoing?

Our perspective is this: someone who observes or experiences activities that are wrong and ought not to occur (or be allowed to continue) should report the matter to their supervisor. If the activity involves their supervisor, they should report the matter to the next appropriate level. If there's reluctance, or an outright refusal to listen and take action, then the matter ought to be taken to the next level. If the matter cannot be managed internally by the organization, the employee can report the matter to the office of the Public Interest Commissioner. Our analysis will determine whether the case involves something wrong, or is actually a wrongdoing.

A workplace's internal mechanisms are expected to skillfully and properly manage the situation. If the issue involves something wrong, potential damage is likely minimal and the fix should be straightforward. For example, a complaint of workplace bullying would be ideally dealt with through a complaint to an organization's human resources department, and investigations and possible sanctions handled by a harassment or code of conduct policy. We all know bullying is wrong, but in a more straightforward case, such an issue is not likely to encompass wrongdoing.

If the wrong is more significant, more demanding action should be taken. Building on the last example, repeated or increasingly aggressive cases of bullying should be elevated as necessary. Realistically, the distinction between wrong and wrongdoing



should not matter if the situation is handled properly. If part of a workplace is not functioning well, it should be identified and corrected.

Of course, this won't always occur.

When it doesn't, the employee (and possibly the organization) is left to determine whether a wrongdoing was committed. One significant problem occurs when a situation is found to not be a wrongdoing, and yet is not investigated. While it may not be a wrongdoing, the organization misses an opportunity to fix a problem.

The Public Interest Commissioner's office will investigate matters of wrongdoing. Our first step is to determine whether a disclosure is indeed a wrongdoing. Here, we must make that assessment between wrong and wrongdoing, or, for example, whether there is simply a disagreement in policy.

If it is a wrongdoing, it falls within the Act. If not, and it is still something that is wrong, an observation will be made to the organization with the expectation the matter will be reviewed and corrected internally. And certainly, if it is neither, a comment indicating so will be made.

We find, as do other jurisdictions with more experience, an employee who discloses a wrong or a wrongdoing merely wants the matter investigated, and action taken to fix what's not right. The distinction is often not at issue. Now, some might say matters that are not wrongdoings are not extended the protection offered by the Act. This is not entirely correct.

In fact, an employee need only disclose their complaint through the public interest process in good faith. Certainly, it's more ideal for matters to be handled internally by an organization. The more serious the matter, the more likely the Public Interest Commissioner's office will become involved. But whether it's a wrong or a wrongdoing disclosed through the public interest process, protection will be extended to the employee.

So, what's the bottom line? Employees should be comfortable reporting issues they feel are wrong to their supervisors and managers. Those supervisors and managers should embrace those disclosures positively, and focus on ensuring those complaints are well managed. When it doesn't work the way it should, there must be a mechanism to report the matter to a designated officer (per the Act) and/or to the Public Interest Commissioner.

"Employees shouldn't worry whether their complaint meets the threshold of wrongdoing under the Act," explains Peter Hourihan, the Public Interest Commissioner. "Simply put, if we find there is no wrongdoing, it doesn't mean something else isn't wrong in the organization that could be an issue best dealt with by management or the human resources process."

If employees are fearful of a reprisal, or threat of a reprisal, they should report that directly to our office.

"Employees shouldn't worry whether their complaint meets the threshold of wrongdoing under the Act."

"In either type of case, employees still have the protection of the Act, and they still cannot be reprisal against," says Hourihan. "Employees should be confident they will still be protected."

At the end of the day, he adds, the goal and spirit of the Act is to address and fix problems in the workplace, without reprisals being taken against an employee who has blown the whistle.

"If the organization can fix or effectively deal with the issue, we're helping deliver what Albertans need," says Hourihan. "Don't worry about whether it's called a wrongdoing or not. We are going to work with organizations so they address complaints that come into our office."

Ted Miles, Director of the Public Interest Commissioner's office, agrees.

"Our goal is to make sure things are right," he says. "So if we do notice there's something wrong, make no mistake: we will make comment back to the public entity. Furthermore, the law is clear no reprisals can be taken, even if someone calls our office for advice, or to make a disclosure."

Stand Up Without Standing Out

Here's a challenge: inform 200,000 Albertans, spread across hundreds of offices in all corners of the province, how your office works, as well as its governing legislation. And ensure these same Albertans, who work in dozens of professions, are provided with enough information to make an informed choice if they decide they need your services.

Finally, do all this with the understanding that your services are new, untested in Alberta, and will likely encounter some skepticism.

Sound daunting? Perhaps. But with the right tools and creative approach, it's been a welcome challenge taken on by the Public Interest Commissioner's office.

One of our goals is to connect directly with employees and managers of public entities covered under the *Public Interest Disclosure (Whistleblower Protection) Act*. We also want to help Alberta's public servants understand their options if they want to blow the whistle on wrongdoing.

So we developed an awareness campaign that targets provincial employees and managers. In fall 2013, a series of three posters was developed, aimed at building awareness in the workplace.

More than 2,000 posters have been sent to provincial public entities to display in high-traffic employee areas, such as meeting and lunchrooms. The goal is to gain attention and drive employees to our website, www.yourvoiceprotected.ca, where they can learn more about our office.

"Awareness is really a key part of implementing a whistleblower program," said Peter Hourihan, the Public Interest Commissioner. "Typically, when awareness of the program and how it works increases, so too does the understanding and willingness of employees to explore their options and test the waters, so to speak."



Ted Miles, Director of the Public Interest Commissioner's office, speaks with Government of Alberta staff at an information session.

The Public Interest Commissioner's office has also engaged employees directly, hosting information meetings with staff and supervisors.

"These are valuable opportunities for us to engage chief and designated officers and other senior leadership to ensure they are aware of, and making progress on implementing, their obligations under the Act," said Ted Miles, Director of the Public Interest Commissioner's office.

Who are we trying to reach?

Employees covered under the Act work in environments as diverse as hospitals, schools, provincial government ministries (ranging from Finance, Environment and Sustainable Resource Development, and Health), and post-secondary institutions.

For example, consider not only the large number of employees at a large university, but the different areas they work in. University employees include tenured professors, professional office administrators, custodial workers, librarians and IT staff. Breaking that down even further, instructors could be based in a law faculty or a medical school, with accounting and human resources staff working from a different location.

Simply put, our target audience is diverse, and spread out over hundreds of different work environments across the province.

"We've received some very positive feedback on the posters, and it's good to see them displayed when we have had meetings in different public entities," said Hourihan. "Time will tell, but we'll adjust our awareness efforts as we learn more about the employees and entities we deal with, and the issues encountered."

To date, all 19 Alberta government departments have received posters, as well as the province's post-secondary institutions and every health care facility operated by Alberta Health Services and Covenant Health. We're also working with Alberta Education to ensure relevant schools and school districts receive them.

"The goal with the campaign is not to shake the tree and push employees to disclose wrongdoing," said Miles. "Building awareness is key, and helps give employees the knowledge they need if they want to disclose wrongdoing or report a reprisal, and don't currently know where to turn, or what their options are."

Of course, all public entities covered by the Act are required to provide internal awareness (including how their disclosure procedures work, and who their chief and designated officers are). This is something we intend to watch closely.



“Thank you so much for making the trip out to Rocky Mountain House. I found the information very valuable, as I believe did the other trustees in attendance. It certainly raised awareness about the due diligence boards need to do in this area.”

Diane MacKay

Chair, Alberta School Boards Association (Zone 4),
and Trustee, Red Deer Catholic Regional Schools

Good Grades For MacEwan University

MacEwan University is one of the few public entities to have internal policies and procedures in place under the *Public Interest Disclosure (Whistleblower Protection) Act*.

This is critical. Public entities are required to develop their own internal policies and procedures, so all employees know how to disclose a wrongdoing or report a reprisal. These policies also set out the roles and responsibilities of chief and designated officers in each entity.

“We want Alberta’s public entities to ensure those who have complaints, and those who investigate complaints, know exactly how the Act works,” said Ted Miles, Director of the Public Interest Commissioner’s office. “MacEwan University in Edmonton has taken that responsibility seriously, and by July 2013 – less than a month after the Act came into effect – the institution had formal procedures in place.”

Michelle Plouffe, MacEwan University’s Vice President General Counsel and Compliance Officer, serves as the university’s designated officer, and administers its internal disclosure process for approximately 3,500 employees.

“When I first started at MacEwan in November 2012, I was aware the legislation was coming, so I took responsibility for compliance and ran with it,” explains Plouffe. “The institution at the time already had a safe disclosure policy, but I think the institution needed more awareness about the policy and processes. We still utilize the policy, but we revised it as part of the full framework. We got our stakeholders involved, developed the framework, and really owned it.

“We were fully compliant by the time the Act came into effect. It was approved by our audit committee and our board of governors, and then we worked on the educational component.”

Some of those education sessions focused on key groups at the university that would be involved with investigations, including human resources, finance, security services, student services, and IT.

“We also included a session on conducting investigations, and explored procedural fairness and natural justice. We held 14 sessions across all our campuses, and about 450 people attended.”



In addition to these face-to-face sessions, the university's president promoted the program internally through a regular bi-monthly newsletter, as well as a global mail-out to employees.

"Before the framework was developed, all we had was a policy," Plouffe explains. "While it was a good policy, it needed more focus."

Plouffe also points out they needed to focus first on the tone at the top. "Now, we have the president and executive team standing behind the fact that it is a safe disclosure process, and that there will be no reprisals. That's significant. We do have that strong executive support. It's really critical to have that. And it's something I continue to push and ensure is top-of-mind."

To date, the university has not received a disclosure of wrongdoing or complaint of reprisal. "That could be for a number of reasons," Plouffe says. However, the institution is planning to investigate why that may be the case. In addition to disclosure forms, Plouffe's office also operates a confidential email for employees if they wish to disclose wrongdoing.

"We're now researching the possibility of installing a third-party hotline to see if that makes a difference in the number of reports," she says. "I don't want a situation where issues aren't coming forward because people are reluctant to come to me as a designated officer."

"We also have a new internal auditor, and I plan to ask the internal audit department to conduct an audit of our processes to find out what we might be missing, if anything. Of course, it

could be there's no wrongdoing. But I never want a situation where there is wrongdoing, but it's not being reported."

Peter Hourihan, the Public Interest Commissioner, says he understands that progress can be slow in the early phases. That's why part of his focus is to change the culture of institutions.

"We want to eventually see workplaces actively encourage staff and managers alike to come forward with concerns," he said. "Management should encourage that reporting, and staff should feel comfortable with coming forward. We know that's happening in a lot of entities right now. But we also know there are work environments where that's not happening. That type of change in mindset doesn't happen overnight. In a way, it's like turning a ship. It takes time."

Plouffe agrees, and points out that demonstrating action will be key in building confidence in the program.

"We have the buy-in at the top, and now we need to ensure it gets down far enough within the organization so that it encourages people to come forward," she says. "While we do have the confidence at the top, the message has to come from throughout the institution. It is a culture shift, and we are challenged with how best to get to the people who need to hear about this. One way is by refreshing the education plan each year. We need to demonstrate that it works. Our plan is that as we get complaints, whether there's a finding of wrongdoing or not, it'll be dealt with internally by the institution, and we'll communicate what came forward, and how we dealt with it."

Government of Alberta's early steps promising

The Government of Alberta was also quick out of the gate with its policies and procedures. They were developed and posted online almost immediately.

“We commend those institutions that acted both quickly and thoroughly to develop their procedures,” said Hourihan. “At the same time, it’s not enough to simply post a policy framework online, or park it on an employee intranet site. Our expectation is that public entities are not only completing their process and procedures, but breathing life into them as well. That means educating employees and ensuring staff are aware of their rights and responsibilities. This is a requirement of the Act.”

If a public entity does not have its policies and procedures in place, the Act decrees that any complaint of wrongdoing is sent directly to the Public Interest Commissioner’s office – at least until those procedures and policies are in place.

“Of course, we don’t want this to become a back-up mechanism for institutions that don’t have their policies up and running,” said Hourihan. “Public entities with questions or concerns about developing their procedures can always contact our office for assistance, advice and input.”

What does your institution need to do?

All provincial government departments, offices of the Legislature, and public entities identified by the *Public Interest Disclosure (Whistleblower Protection) Act* are required to establish procedures and policies to comply with the Act.

These procedures should, among other requirements, address the various responsibilities held by chief and designated officers, provide employees with a clear explanation of how they can disclose wrongdoing or report a reprisal, who they can contact for information, and inform staff about the Act’s investigation timelines.

For example:

- Every chief officer should establish and maintain written procedures, including time periods, for managing and investigating disclosures for employees.
- Procedures should inform employees considering making a disclosure they can request information from their designated officer, chief officer, or the office of the Public Interest Commissioner.
- Public entities should inform employees of alternate designated officers, should there be a circumstance when the designated officer appears to be in a conflict of interest.

A comprehensive procedures checklist can be found on our website at www.yourvoiceprotected.ca.



Chris Ewaniuk, an investigator, answers questions during an employee information session at the provincial Health department. Our staff have been reaching out to employees to help them understand the role our office plays, and how the *Public Interest Disclosure (Whistleblower Protection) Act* works.



Investigation

Updates

In 2013, the Public Interest Commissioner launched two investigations after receiving disclosures of wrongdoing.

On January 24, 2014, the Public Interest Commissioner ordered an investigation into allegations that Alberta Health Services (AHS) purchased approximately \$10 million worth of computer equipment, and left it in storage for 17 months before it was made available to employees.

Our aim is to ensure Albertans are confident public institutions deal with allegations of wrongdoing appropriately. The Commissioner's investigation will determine whether a wrongdoing was committed, and whether the allegations were handled appropriately by AHS.

The matter was referred to the Public Interest Commissioner by Alberta's Auditor General. The allegations were contained in separate letters sent to the offices of the Premier and Minister of Health by an anonymous whistleblower.

Specifically, the Commissioner directed an investigation into the allegation of gross mismanagement (Section 3(1)(c) of the Act).

At the time the allegations were raised, AHS did not have policies and procedures in place.

The investigation is expected to conclude by mid-2014. Further reports will be made then.

Our other investigation involved a workplace issue, disclosed to our office on October 28, 2013. After analyzing and investigating the surrounding issues and files, and interviewing the complainant and related staff, our office determined the threshold for wrongdoing was not met.

However, the disclosure highlighted issues and concerns in the workplace, and our office communicated those to the organization's leadership to relieve the situation.

Conversation With a Whistleblower

The following is an edited conversation with a whistleblower who disclosed an allegation of wrongdoing first to their employer, then to our office. To protect the whistleblower's identity, we've removed details of their complaint, employer, and our investigation. Their comments illustrate the feeling many in the public service may have when they consider blowing the whistle, or coming forward with a concern.

What was it like to come forward to the Public Interest Commissioner's office as a whistleblower?

I welcomed the opportunity, because I was so abysmally frustrated for so long. I had been making various inquiries as a professional, which is one of the things we do when we run into a difficult, perplexing problem. We consult with colleagues.

I didn't know the legislation existed. So when I heard about it, I thought it was a good option going forward, if it came to that. And, of course, it did come to that.

As a whistleblower, you feel like you're the fink in a jail. Aside from that feeling, though, I didn't have a problem at all. Our management was simply unable or unwilling to take any kind of meaningful action regarding my concerns.



Did the possible stigma of being a whistleblower weigh on your mind?

Personally, it did not weigh on my mind at all. I just felt that I was doing the right thing in coming forward. The thing that bothered me in the back of my mind, and still does of course, was some kind of repercussion or reprisal. Whistleblowers tend to be rather unpopular, and are not appreciated for the most part.

The Act offers protection in the form of fines and sanctions for cases of reprisal. Having come forward as a whistleblower, and having gone through the entire disclosure and investigation process, is that protection significant enough for you?

I thought that was definitely on the plus side, for sure. Undoubtedly, the Act does provide protection. It's good that the fines are built in there.

When you came forward, and disclosed your concerns to our office, how did that proceed? What was that encounter like?

I was marinating in frustration, and stressed. Once it was clarified that the Public Interest Commissioner would look into this, I didn't see any problems at all. The investigation was very thorough. It took awhile, but that was perfectly fine with me.

The thing that was a worry for me in the back of my mind was, 'How will I be perceived by this office? Will I be perceived as a credible individual, or will I be perceived as some sort of malcontent with an axe to grind, who's trying to further my own agenda? Are his complaints even valid? Is he trying to stir up trouble?'

For me, the really good news was that the investigation was so

thorough. I said to the investigators, 'What I'd like you folks to do is assume everything I've said is flat out wrong, inaccurate, biased or faulty in some way. Assume that, and go through it in detail. And see if you can find something that's wrong here.'

Do you have a message or advice to share with other potential whistleblowers?

It's an individual thing. What goes through the average person's mind is difficult to say. Some people are frankly paranoid. They think if they go forward, it's going to come back and bite them. They may not believe the legislation is credible, or because it's a new thing and people don't know about it, they may have more questions in their mind than answers.

I felt confident in the office. I really did. But that was me.

If you have any questions or concerns, give the office a call. My dealings with this office were very positive. People were very professional. I'm used to working in an environment where there's an assortment of mismatched individuals that either lack experience, or don't see eye to eye on things. I'm not trying to beat up on our manager. I think these kind of problems can be synonymous with bureaucratic organizations. Some of these problems tend to creep in.

I didn't get any of that in my communications with this office. People were calm, reasonable, professional. People didn't seek to immediately discredit everything I said.

Past investigations related to my complaint were often cursory. My manager wouldn't read my emails. I wanted an exhaustive investigation.

My big relief was the office was competent, and thorough, and took me seriously.

Case Examples



e know the concept of public interest disclosures is new for Alberta's public service. And, to date, too many public servants are unaware of how the Public Interest Commissioner's office or the *Public Interest Disclosure (Whistleblower Protection) Act* works in Alberta. We're working to change that, but we understand it takes time.

Over the past year, we received many calls and inquiries from public servants, both from employees and chief and designated officers. As well, we track and receive calls from non-jurisdictional public entities and their employees.

Those who reach out to us often have similar questions. They wonder how our office works. They ask whether, and how, they'll receive protection by coming forward with an allegation of wrongdoing. In some cases, individuals are unsure whether their employer is covered by the Act, or who they can speak with internally if they are covered by the Act.

While we launched two investigations last year, and concluded one of them, the majority of our contact involved inquiries that did not result in findings of wrongdoing or reprisals (defined under the Act), or were not from jurisdictional public entities. In cases where the issues raised were not wrongdoings, we provided referrals to other authorities to help individuals resolve their concerns. In cases where issues were jurisdictional, we analyzed complaints directly if the relevant authority did not have its disclosure policies and procedures in place. If authorities did have these in place, we referred those complainants to the appropriate public entity.

On the following page are examples of some of the inquiries and cases reviewed by the Commissioner. Some are jurisdictional, while others are not. But they all illustrate the type of interactions we've had over the past year. (We have also taken steps to keep details to a minimum to ensure anonymity of callers and complainants.)

1

Friends of Medicare complaint

On September 9, 2013, media reports contained troubling comments from an anonymous whistleblower, alleging a resident was mistreated at a health facility operated by Covenant Health.

The incident was reported to the media by Friends of Medicare. Their concern was that an internal investigation had been conducted by Covenant Health (outside the auspices of the province's whistleblower disclosure process). The internal investigation concluded the incident did not occur.

Friends of Medicare told media the lack of whistleblower protection led staff to back down during the investigation, and that staff would be willing to provide information if the Minister of Health extended whistleblower protection to them.

We connected with a representative of Friends of Medicare to provide information about the Act, and to advise that employees of Covenant Health were included in the legislation. We also provided the organization with advice for employees about how the Act protects them from reprisal, and ensured that our informational brochures and posters were distributed to Covenant Health facilities.

2

What laws does the Act apply to?

The legal counsel for a post-secondary institution in Edmonton contacted our office with questions about the Act. Specifically, he wanted to know whether the *Public Interest Disclosure (Whistleblower Protection) Act* applied to wrongdoings related to the contravention of all federal and provincial laws and regulations.

Because the Act does not exempt any particular act or regulation, we advised that all laws apply. We also advised him that employees should be encouraged to report any contravention of an act or regulation, and that the decision to investigate rests with the institution's designated officer.

We also reminded the institution the spirit of the Act is to encourage employees to report issues. Even if a complaint is determined not to be a wrongdoing, the institution can (and should) still deal with the complaint through its own processes (for example, through its human resources processes).

3

How long can a public entity take to develop its disclosure policies?

Shortly after we began operations in June 2013, a member of a Calgary educational authority asked whether employees could contact the Public Interest Commissioner’s office directly if policies and procedures were not in place.

The organization’s board was concerned they had not yet approved those policies, but wanted to ensure the quality of its work. In cases where institutions lack policies or a chief or designated officer, our office will investigate disclosures of wrongdoing.

We told the authority they could submit the draft policies to our office for a review, to ensure quality and compliance with the Act’s requirements – but that they should worry less about timelines, and instead take the time to develop proper procedures, as the Act does not mandate a specific timeline.

The authority was also concerned whether the board chair could serve as the organization’s chief officer. We recommended the organization name the chief executive officer or chief financial officer as the chief officer, given that those positions are responsible for reporting information in the annual report, as mandated by the Act.

4

Is a private contracted service provider covered under the Act?

An employee at a seniors' centre contacted our office directly, alleging the residents were being mistreated. The seniors' centre is located in a small rural community, and the employee was afraid of reprisal.

After meeting with the employee, our investigators learned the seniors' centre operator is a private company. We provided contact information for the province's Protection for Persons In Care (PPIC) program. We explained the mandate of PPIC, including protection from reprisals.

5

Municipalities: in or out?

A senior municipal official emailed our office, wondering whether the Act applied to municipalities.

Currently, municipalities do not fall under the Act, although they do have the ability opt in. Furthermore, the Act will be reviewed by the Alberta legislative assembly by 2015, so there may be an opportunity for interested municipalities to discuss that option with the government in the future. In fact, a number of municipalities have asked the province to be included under the Act. We will assist the government in this work where possible.

Annual Report Statistics

June 1, 2013 to March 31, 2014 Reporting Period

Required Reporting: Section 33(1), *Public Interest Disclosure (Whistleblower Protection) Act*

a. The number of general inquiries made to the Commissioner relating to this Act:

- A total of 132 inquiries, which resulted in file creation, were received during this reporting period.
 - » 41 inquiries were made by chief and designated officers concerning requirements of the Act, and the development of procedures.
 - » 23 inquiries were non-jurisdictional (actions/circumstances, no wrongdoing/reprisal).
 - » 21 inquiries were non-jurisdictional (agencies, municipal governments, police, etc.).
 - » Seven inquiries made where the complainant was asked to submit concerns in writing for further analysis – nothing received.
 - » 27 inquiries from employees (miscellaneous in nature, requesting guidance/information. Many of these employees were referred back to their home entity or designated officer).

- » Eight inquiries were requests for presentations, awareness, statistics, and assistance to other PIC offices.

b. The number of disclosures received by the Commissioner under the Act, the number of disclosures acted on, and the number of disclosures not acted on by the Commissioner:

- Five disclosures were received by the Commissioner, and all were acted on. Following our intake analysis, three were referred back to chief and designated officers and two were taken for investigation by the Commissioner.
 - » Referred to Government of Alberta Designated Officer.
 - » Referred to AHS.
 - » Referred to AHS.
 - » Investigation: AHS.
 - » Investigation: Health sector agency.

c. The number of investigations commenced by the Commissioner under this Act:

- Two investigations were commenced by the Commissioner.

d. The number of recommendations the Commissioner has made and whether the departments, public entities or offices of the Legislature to which the recommendations relate have complied with the recommendations:

- One of the two investigations was completed during the reporting period, and no recommendations were made by the Commissioner concerning this investigation. In this case, the finding of the investigation was the circumstances did not constitute a wrongdoing, therefore no recommendations were provided. However, the Commissioner did provide observations to the public entity as to why the situation was escalated to our office, and how this matter could be resolved internally.

e. The number of complaints of reprisals received by the Commissioner under the Act, the number of complaints of reprisals acted on and the number of complaints of reprisals not acted on by the Commissioner:

- There were no complaints of reprisal received by the Commissioner.

f. Whether in the opinion of the Commissioner, there are any systemic problems that may give rise to or have given rise to wrongdoings:

- The program is still in its early stages, and insufficient data has been collected to this point identifying trends or systemic problems that have given rise to wrongdoings. Should systemic problems become evident, we will ensure proper attention and oversight are provided.

g. Recommendations for improvement the Commissioner considers appropriate:

- As an example, there is no ability to order an investigation by our office or the designated officer. As well, during various presentations made, several employees indicated they are not aware of the Act or their workplace's internal policies. We intend to monitor this, as there is a legislative requirement for government departments, agencies, boards, commissions and other public entities to provide awareness to employees.

Entity Compliance

- **Currently tracking a total of 370 entities.**

These include:

- » 19 government departments.
- » 20 agencies, boards and commissions (ABCs).
- » Seven offices of the Legislature.
- » Six health sector agencies.
- » 20 post-secondary institutions.
- » 298 school authorities.
 - 42 public school authorities.
 - 16 separate school authorities.
 - Four francophone authorities.
 - 13 charter schools.
 - 94 ECS private operator.
 - 129 private schools.

85%

Of the 72 Government of Alberta ABCs, offices of the Legislature, the health sector and post-secondary institutions, 61 (85%) have identified their chief and designated officers to the Public Interest Commissioner and advised on the status of their procedures.

67%

Of the 61 school authorities, 40 (67%) have identified their chief and designated officers to the Public Interest Commissioner and advised on the status of their procedures.

61%

Of the 13 charter schools, 8 (61%) have identified their chief and designated officers to the Public Interest Commissioner and advised on the status of their procedures.

3%

Of the 129 private schools, 4 (3%) have identified their chief and designated officers to the Public Interest Commissioner and advised on the status of their procedures.

0%

None of the 94 ECS private operators have identified chief and designated officers to the Public Interest Commissioner or advised on the status of their procedures.

Further Statistics

- A total of 132 inquiries, which resulted in file creation, were received during this reporting period. These are broken down by the following sectors:

» Government Departments – 17

Human Services	7
Service Alberta	2
Agriculture and Rural Development	2
Education	1
Enterprise and Advanced Education	1
Executive Council	1
Alberta Health Services	1
Justice and Solicitor General	1
Municipal Affairs	1

» Agencies, Boards and Commissions – 15

Workers' Compensation Board	3
Alberta Treasury Branches	2
Alberta Utilities Commission	2
Child and Family Services Authorities	2
Alberta Energy Regulator	1
Alberta Gaming and Liquor Commission	1
Alberta Innovates	1
Credit Union Deposit Guarantee Corporation	1
Health Quality Council of Alberta	1
Natural Resources Conservation Board	1

» Offices of the Legislature – 1

Office of the Chief Electoral Officer	1
---------------------------------------	---

» Health Sector – 22

Alberta Health Services	18
CapitalCare	1
Carewest	1
Covenant Health	1
Lamont Health Care Centre	1

» Post-secondary Institutions – 13

» School Authorities – 28

» Non-jurisdictional Individuals/Entities – 36

- These include entities not covered by the Act, such as: municipalities, excluded health care workers, police, and private corporations.

- Number of Exemptions (Section 31 of the Act) – The Commissioner must provide reasons for giving an exemption under this section and must ensure the exemption, including any terms or conditions imposed, and the reasons for giving the exemption are made publicly available.
 - There were no exemptions requested or provided during the reporting period.

Financial Statements

March 31, 2014

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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 Office of the Public Interest Commissioner, which comprise the statement of financial position as at March 31, 2014, and the statements of operations and cash flows for the 10 month period 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, 2014, and the results of its operations, its remeasurement gains and losses, and its cash flows for the 10 month period then ended in accordance with the Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

Auditor General
July 10, 2014
Edmonton, Alberta

Statement of Financial Position

As at March 31, 2014

	2014	
Assets	\$	-
Liabilities		
Accounts Payable and Accrued Liabilities	\$	59,388
Accrued Vacation Pay		54,052
		113,440
Net Liabilities		
Net Liabilities At Beginning Of Year		-
Net Operating Results		(1,124,500)
Net Financing Provided from General Revenues		1,011,060
Net Liabilities at End of Year		(113,440)
	\$	-

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

Statement of Operations

10 months ended March 31, 2014

	2014	
	BUDGET	ACTUAL
Revenues	\$ -	\$ -
Expenses – Directly Incurred (Note 2(b) and Schedule 2)		
Salaries and Employee Benefits	1,132,000	844,084
Supplies and Services	328,000	280,416
Total Expenses	1,460,000	1,124,500
Net Operating Results	\$ (1,460,000)	\$ (1,124,500)

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

Statement of Cash Flows

10 months ended March 31, 2014

	2014
Operating Transactions	
Net Operating Results	\$ (1,124,500)
Non-Cash Items included in Net Operating Results:	
Provision for Vacation Pay	54,052
	(1,070,448)
Accounts Payable and Accrued Liabilities	59,388
Cash Applied to Operating Transactions	(1,011,060)
Financing Transactions	
Net Financing Provided from General Revenues	1,011,060
Cash, Beginning of Year	-
Cash, End of Year	\$ -

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

Notes to the Financial Statements

March 31, 2014

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 Act).

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

The Office was established June 1, 2013 when the Act received proclamation and for the purposes of the financial statements for 2013 – 14, has only been in existence for 10 months.

The Alberta Ombudsman was appointed the Public Interest Commissioner, in accordance with Section 38(2) of the Act, on April 24, 2013. The Alberta Ombudsman's office personnel provide administrative support, communications, finance, human resource management and legal services to the Office. For the purposes of financial reporting, the personnel costs associated with these shared services are allocated to the Office.

The net cost of the operations of the Office is borne by the General Revenue Fund of the Province of Alberta. Annual operating budgets are approved by the Standing Committee on Legislative Offices.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards. As the Office has only been in operation for 10 months, no comparatives are presented.

(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 operates within the General Revenue Fund. The Fund is administrated by the Minister of Finance. All cash receipts of the Office are deposited into the Fund and all cash disbursements made by the Office are paid from the Fund.

Net Financing Provided from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONTINUED)

(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:

- Pension costs, which are the cost of employer contributions during the year.
- Valuation adjustments which represent 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.

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. The Office does not have any financial assets.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Liabilities

Net liabilities represent the difference between the Office's liabilities and the carrying value of its assets.

Canadian public sector accounting standards require a net debt presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as net debt or net financial assets as an indicator of the future revenues required to pay for past transactions and events. The Office operates within the government reporting entity, and does not finance its expenditures by independently raising revenue. Accordingly, these financial statements do not report a net debt indicator.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONTINUED)

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

NOTE 3 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:

2014 – 15	\$ 6,420
2015 – 16	6,420
2016 – 17	5,055
	<hr/>
	\$ 17,895
	<hr/>

NOTE 4 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 \$94 for the year ended March 31, 2014.

At December 31, 2013, the Management Employees Pension Plan reported a surplus of \$50,457 (2012 – deficiency \$303,423), the Public Service Pension Plan reported a deficiency of \$1,254,678 (2012 – deficiency of \$1,645,141) and the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$12,384 (2012 – deficiency of \$51,870).

The Office also participates in the multi-employer Long Term Disability Income Continuance Plan. At March 31, 2014, the Management, Opted Out and Excluded Plan had an actuarial surplus of \$24,055 (2013 – surplus of \$18,327). The expense for this plan is limited to the employer's annual contributions for the year.

NOTE 5 STATEMENT OF REMEASUREMENT 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 remeasurement gains and losses and therefore a statement of remeasurement gains and losses has not been presented.

NOTE 6 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Public Interest Commissioner.

Schedule 1 – Salary and Benefits Disclosure

Year Ended March 31, 2014

**Senior Official
Commissioner**

2014			
Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-Cash Benefits ⁽³⁾	Total
\$ 242,688	\$ 34,296	\$ 9,976	\$ 286,960

(1) Base salary includes regular base pay.

(2) Other cash benefits include pension-in-lieu and lump sum payments.

(3) Other non-cash benefits include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long-term disability plans, professional memberships and tuition fees.

(4) Automobile provided for April 1, 2013 – March 31, 2014, no dollar amount included in other non-cash benefits.

(5) The Alberta Ombudsman was appointed as the Public Interest Commissioner effective June 1, 2013, however, he does not receive additional remuneration for this role. The salary and benefits reflected on this statement is the Ombudsman/Commissioner's full remuneration. The Alberta Ombudsman's financial statements (expenses) reflect 75% of this total remuneration and the Public Interest Commissioner's financial statements (expenses) reflect the remaining 25% of his full remuneration. The 75/25 apportionment represents the Ombudsman/Commissioner's actual time engagement for each Office.

Schedule 2 – Allocated Costs

10 months ended March 31, 2014

2014				
Expenses – Incurred by Others				
Program	Expenses ⁽¹⁾	Accommodation Cost ⁽²⁾	Telephone Costs ⁽³⁾	Total Expenses
Operations	\$ 1,124,500	\$ 32,856	\$ 3,780	\$ 1,161,136

(1) Expenses – Directly Incurred as per Statement of Operations.

(2) Accommodation costs are allocated by square metres.

(3) Telephone costs are the line charges for all phone numbers.



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