

**BUDGET SUBMISSION**  
*Fiscal Years 2011 – 2013*

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**Presented  
to  
The Select Standing Committee on Finance and Government Services  
Legislative Assembly of British Columbia**

**Nov. 27, 2009**



**ombudsperson**  
B.C.'s Independent Voice For Fairness

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## Overview

This budget submission sets out the resource requirements for the Office of the Ombudsperson for fiscal year 2011 (April 1, 2010 to March 31, 2011). It includes a proposed planning budget for fiscal years 2012 and 2013 and is accompanied by a Service Plan for fiscal years 2011 - 2013.

The submission has been prepared after careful analysis of the resources required to deal with the continuing increase in demand for services in a situation of fiscal constraint. It sets out what is required to permit the Office of the Ombudsperson to meet its core mandate. The submission also delineates between those resources devoted to Ombudsperson core activities and those related to the Office's continuing role in providing Shared Service support to four offices of the legislature.

The Office of the Ombudsperson operating budget requirement for fiscal year 2011 is \$5.627 million and for planning purposes, an operating budget of \$5.902 million in each of fiscal years 2012 and 2013. The net increase in operating funds is \$854,000. It includes \$652,000 that is primarily directed to salaries and benefits associated with funding for six positions needed to deal with the increasing investigative work load. The other \$202,000 of the increase is for space costs including the cost of amortization of capital budget expenditures. All other discretionary operating costs have been held constant or reduced.

The Select Standing Committee on Finance and Government Services on October 28, 2008 approved the Office of the Ombudsperson and the other independent offices participating in Shared Services entering into a long-term (15 years) leasing arrangement to allow the benefits of the Shared Services arrangement to continue. The capital budget requirement for fiscal 2011 is \$921,000. Thereafter in fiscal years 2012 and 2013, the capital budget will revert to \$75,000 per year. The one year increase of \$846,000 in Fiscal 2011 is associated with the move to new facilities. It is to pay for tenant improvements, furniture and IT equipment in the new shared office space. The amount required is lower than originally projected in last year's budget submission because better terms were ultimately negotiated for the new space.

This budget reflects the reality that the Office of the Ombudsperson has been and continues to be a lean, compact organization which over the past three years has taken innovative approaches to attempt to deal with a multi-year, continuing increase in demand within existing resources, but which is now at a critical juncture where, without adequate funding for investigative staff, it can no longer meet its core mandate.

## Mandate

The Office of the Ombudsperson was established in 1979 to provide independent oversight of the administrative fairness of the practices of public authorities and as an impartial agency available to all persons in the province who believe they have not been treated fairly or reasonably by a public agency.

The Office has the widest jurisdiction of any ombudsperson office in Canada, dealing with complaints about provincial ministries, commissions [e.g. Worksafe BC] and Crown corporations [e.g. BC Hydro and ICBC], as well as local governments, health authorities, school boards and self-regulating professions. It works in a consultative and constructive manner to achieve fair resolutions and improve the effectiveness of public administration in British Columbia.

The work of the Office directly assists both complainants and authorities. In investigating individual complaints, as well as in systemic investigations, the Office always works to ensure the underlying causes of problems are identified and addressed so that problems will not recur.

The Office contributes more broadly to confidence in and respect for good governance in the province and its work enhances the principles of openness, transparency and accountability indispensable to a free and democratic society.

## **Priorities for Fiscal 2011**

The Office of the Ombudsperson celebrated its 30<sup>th</sup> Anniversary in 2009. While its mandate and role has remained consistent over that time the context in which it operates has changed. The Office has evolved its operation into its current integrated process of intake, referral, early resolution, investigation of individual complaints, systemic investigations, monitoring of implementation of accepted recommendations, education and outreach.

The Office has five priorities for fiscal 2011:

### **Effectively Addressing Continually Increasing Investigative Workload**

This is the Office's primary priority for fiscal 2011 as it must be addressed over the next 18 months. Timely investigation of individual complaints is essential to ensuring fair resolutions can be achieved. While a number of innovative steps have been taken over the past three years to address the increase in investigative workload within existing resources, including redirecting approximately 10% of current investigative files into the highly successful Early Resolution Program, the number of investigative files continues to rise. A comparison of the number of investigative files opened over the past 12 months with a similar period five years ago shows a 47% increase. In fiscal 2009 there was a dramatic rise in the open files (471 to 934) which continues to grow. Based on the increase over the first six months of this fiscal year the projected number of investigative files for this fiscal year (including those diverted to Early Resolution) will be approximately 2800. Eight years ago (fiscal 2002) 23% of our intakes (approximately 2500 files) went on to investigation: last fiscal year it was 31% and this year it is projected to be 32%. It is however simply not possible to deal with the broad mandate of the Office and the continuing increase in investigations without a proportional increase in investigative resources.

### **Shared Office Consolidation**

Construction of the new space is on schedule and on budget for completion at the end of October 2010. The physical relocation of the staff from four existing locations to one will represent a significant but welcome workload for the Shared Services Staff in the coming year and will permit continuation of Shared Service efficiencies.

### **Systemic Investigations**

Systemic Investigations present the greatest opportunity for significant change to address areas of unfairness affecting many people. The resulting public reports also assist other public authorities to identify areas where they can improve their own administrative practices. During the coming year, resources allocated to Systemic Investigations will be sustained at the current levels.

### **Good Governance Materials for Authorities**

To assist public authorities in identifying areas of risk for administrative unfairness and to evaluate and improve their own administrative processes the Office will develop good governance packages targeted at specific areas. These good governance packages will assist authorities in more consistently applying the principles of administrative fairness in their policies, procedures and decision making. This should lead to fewer complaints being brought to the Office of the Ombudsperson over time and could therefore reduce the rate of increase in files to be investigated in the future.

### **Outreach to Underserved Communities**

Our most recent survey indicates that people whose first language is not English are significantly less aware of the role of the Office of the Ombudsperson and that there is somewhere they can go if they cannot resolve their concerns about unfair or unreasonable treatment with a public authority. This is of concern as often these are the very people who have the greatest need. We will continue to build on our contacts with agencies that serve these communities and will be targeting tour and mobile intake activities in the coming year to increasing access for people in these communities.

## Statement of Operations (Previous and Current Fiscal Years)

	Fiscal 2009 (previous)		Fiscal 2010 (current)
	Budget	Actual	Budget
<b>Funding</b>			
Voted Appropriation	4,671,000	4,624,535	4,773,000
<b>Total</b>	<b>4,671,000</b>	<b>4,624,535</b>	<b>4,773,000</b>
<b>Expenses</b>			
Salaries	3,342,000	3,372,224	3,579,000
Employee Benefits	793,000	821,233	849,000
Travel	60,000	71,067	60,000
Centralized Management Support Services	405,000	392,548	415,000
Professional Services	140,000	116,844	175,000
Information Systems	65,000	95,577	80,000
Office and Business Expenses	110,000	228,381	205,000
Information, Advertising and Publications	40,000	41,781	60,000
Statutory Advertising and Publications	20,000	33,408	22,000
Utilities , Materials and Supplies	25,000	20,885	25,000
Amortization	85,000	67,283	90,000
Building Occupancy	0	0	0
Internal Recoveries	(334,000)	(334,000)	(637,000)
External Recoveries	(80,000)	(302,696)	(150,000)
<b>Total Expenses</b>	<b>4,671,000</b>	<b>4,624,535</b>	<b>4,773,000</b>
<b>Capital Budget</b>			
Info. Systems, Furniture & Equipment	75,000	53,124	75,000
Tenant Improvements	0	0	0
<b>Total Capital</b>	<b>75,000</b>	<b>53,124</b>	<b>75,000</b>

**Proposed Operating Budget by Standard Object of Expenditure (STOB)**

		<b>Fiscal 2010 Current Budget</b>	<b>Fiscal 2011 Proposed Estimates</b>	<b>Change</b>	<b>Fiscal 2012 Planned</b>	<b>Fiscal 2013 Planned</b>
<b>STOB</b>	<b>Expense Type</b>					
50	Salaries	3,281,000	3,798,000 <sup>1</sup>	517,000	3,798,000	3,798,000
51	Supplemental Salary	45,000	45,000	0	45,000	45,000
52	Employee Benefits	849,000	978,000 <sup>1</sup>	129,000	978,000	978,000
54	Officer of the Leg. salary	253,000	259,000 <sup>2</sup>	6,000	259,000	259,000
57	Travel	60,000	60,000	0	60,000	60,000
59	Centralized Mgmt Support Serv.	415,000	306,000 <sup>3</sup>	(109,000)	118,000	118,000
60	Professional Services	175,000	135,000	(40,000)	135,000	135,000
63	Information Systems	80,000	80,000	0	80,000	80,000
65	Office and Business Expenses	205,000	205,000 <sup>4</sup>	0	205,000	205,000
67	Info., Advert.& Publications	60,000	60,000 <sup>5</sup>	0	60,000	60,000
68	Statutory Advert. & Publications	22,000	22,000 <sup>6</sup>	0	22,000	22,000
69	Utilities, Materials and Supplies	25,000	25,000	0	25,000	25,000
73	Amortization Expense	90,000	160,000 <sup>7</sup>	70,000	259,000	259,000
75	Building Occupancy	0	267,000 <sup>8</sup>	267,000	641,000	641,000
88	Internal Recoveries	(637,000)	(623,000) <sup>9</sup>	14,000	(633,000)	(633,000)
90	External Recoveries	(150,000)	(150,000) <sup>10</sup>	0	(150,000)	(150,000)
	<b>Total</b>	<b>4,773,000</b>	<b>5,627,000</b>	<b>854,000</b>	<b>5,902,000</b>	<b>5,902,000</b>

**Capital Budget**

Info. Systems, Furn. & Equip.	75,000	200,000 <sup>11</sup>	125,000	75,000	75,000
Tenant Improvements	0	721,000	721,000	0	0
<b>Total</b>	<b>75,000</b>	<b>921,000</b>	<b>846,000</b>	<b>75,000</b>	<b>75,000</b>

**Full Time Equivalents**

Ombudsperson Core Services	<b>32</b>	<b>39<sup>12</sup></b>	<b>7</b>	<b>39</b>	<b>39</b>
Shared Services	<b>14</b>	<b>14</b>	<b>0</b>	<b>14</b>	<b>14</b>
	<b>46</b>	<b>53</b>	<b>7</b>	<b>53</b>	<b>53</b>

**Notes:**

1. STOB 50 (Salaries) and STOB 52 (Employee Benefits) includes funds for six additional positions in investigations for Fiscal 2011 and allocation of \$11,000 for a researcher/librarian position previously part of shared services.
2. STOB 54 (Officer of the Legislature Salary) the salary for the Ombudsperson is tied by statute to the salary of the Chief Judge of the Provincial Court. The salary was established by the Final Report of the 2007 British Columbia Judges Compensation Commission.
3. STOB 59 (Centralized Management Support Services) includes building occupancy charges payable to ARES for space occupied until the end of October 2010 when the new consolidated office will be ready for occupancy. Building Occupancy after November 1, 2010 is shown in STOB 75 because the lease for the new office space is not held by ARES. STOB 59 reduces further in Fiscal 2012 as no occupancy charges will be payable to ARES.
4. STOB 65 (Office and Business Expenses) includes costs for office supplies, offsite storage, postal and courier charges, printing and photocopying expenses (other than reports), books and professional journals, staff training (including mandated Pacific Leaders charges), and business meeting expenses.
5. STOB 67 (Information, Advertising and Publications) includes costs for printing public reports other than the Annual Report and advertising notices of the Ombudsperson's office visits to communities across the province to provide access to all British Columbians.
6. STOB 68 (Statutory Advertising and Publications) includes costs for preparation and printing of the Annual Report to the Legislature.
7. STOB 73 (Amortization) is the cost of repaying Capital Budget expenditures for Tenant Improvements, Furniture and Information Systems Hardware and Software. Tenant Improvements and Furniture expenditures are amortized on a monthly basis over 5 years whereas Information Systems expenditures are amortized over 3 years.
8. STOB 75 (Building Occupancy) is the Ombudsperson's share of the consolidated office space for the four independent offices at 947 Fort Street. The construction of the LEED Gold office space is on schedule and the actual terms of the 15 year lease were negotiated at slightly better rates than were presented to and approved by the Select Standing Committee on Finance and Government Services in the fall of 2008. The Fiscal 2011 budget is for 5 month occupancy and the amount shown for future fiscal years is for a full year. Occupancy charges payable to ARES in STOB 59 decrease as STOB 75 increases.
9. STOB 88 (Internal Recoveries) represents the costs reimbursed by the other offices participating in the shared services arrangement. It represents a small cost reduction per supported position and thus a small reduction in internal recoveries.
10. STOB 90 (External Recoveries) represents the costs reimbursed by other ombudsman and similar offices that have contracted for purchase and support of the Case Tracker System. The amount budgeted represents the reasonably anticipated recoveries. Opportunities for additional recoveries have in the past occurred but only on an ad hoc and unpredictable basis. When recoveries have exceeded budgeted amounts, such surplus funds are used for office requirements such as supplementing investigative capacity or returned to the province's consolidated revenue fund as surplus at the end of the fiscal year.
11. CAPITAL BUDGET includes a one-time increase in Fiscal 2011 to pay for the tenant improvements, furniture and IT equipment associated with the move to the new shared office space. These capital amounts are repaid through amortization in STOB 73.
12. FULL TIME EQUIVALENTS (FTEs). These figures do not include the position of Ombudsperson because the position is not filled under the Public Service Act. The 7 FTE increase for Core Services includes six investigative positions and the other position results from the transfer of the researcher / librarian position from Shared Services (see note 1). The 14 FTEs for providing Shared Services remains unchanged but the composition changes. The Fiscal 2010 budget included one mentorship position in Shared Services for succession planning to replace the Executive Director of Corporate Services. That position will no longer be needed in Fiscal 2011. Also, the research associate / librarian position, whose FTE, since 2004, has been part of Shared Services, will be transferred to Ombudsperson Core Services. These two Shared Service FTEs need to be retained in Fiscal 2011 but will be staffed with personnel to provide financial and IT Systems support in proportion to the projected staffing in the four offices.

**Proposed Budget by Lines of Business**

	<b>Current Year</b>	<b>Plan</b>		
<b>Business Area</b>	<b>Fiscal 2010</b>	<b>Fiscal 2011</b>	<b>Fiscal 2012</b>	<b>Fiscal 2013</b>

**Operating Expenses (\$000)**

Core Services				
- Intake/Referrals	473	508	539	539
- Early Resolution	430	462	490	490
- Investigations	2,707	3,479	3,659	3,659
- Systemic Investigations	688	738	784	784
<b>Total Core Services</b>	<b>4,298</b>	<b>5,187</b>	<b>5,472</b>	<b>5,472</b>
Shared Services	1,112	1,063	1,063	1,063
Less Recovery for Shared Services	(637)	(623)	(633)	(633)
<b>Total</b>	<b>4,773</b>	<b>5,627</b>	<b>5,902</b>	<b>5,902</b>

**Capital Expenditures (Consolidated Revenue Fund) (\$000)**

Info. Systems, furniture & equipment	75	200	75	75
Tenant Improvements	0	721	0	0
<b>Total</b>	<b>75</b>	<b>921</b>	<b>75</b>	<b>75</b>

**Full Time Equivalents (FTE's)**

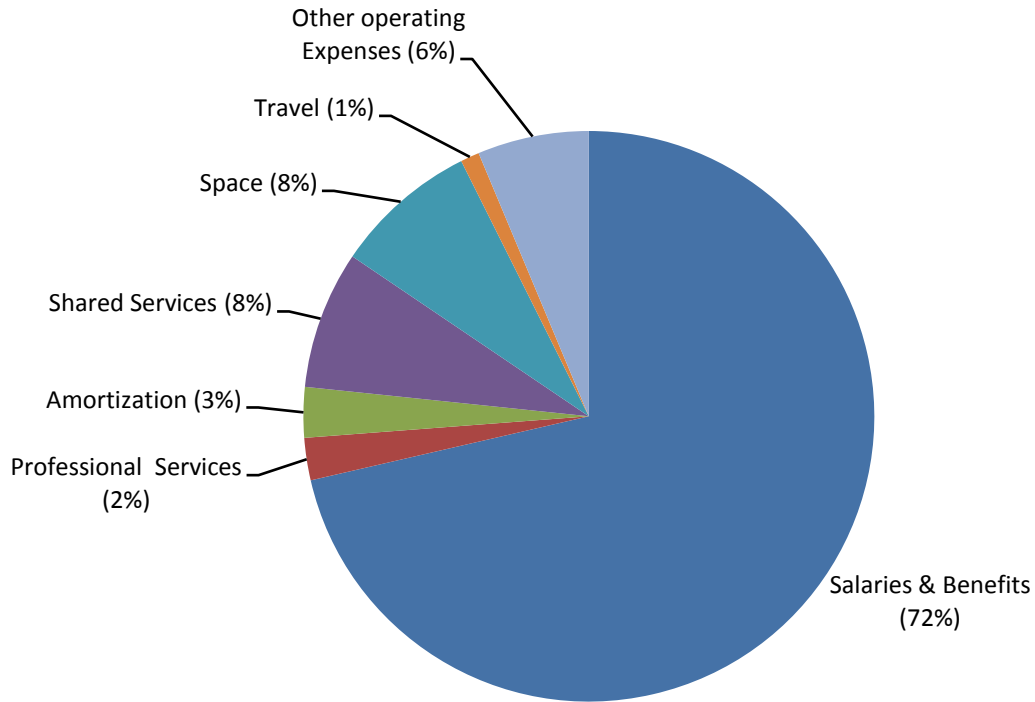
Core Services	32	39	39	39
Shared Services	14	14	14	14
<b>Total</b>	<b>46</b>	<b>53</b>	<b>53</b>	<b>53</b>

Notes:

1. The FTE count does not include the Ombudsperson. Officers of the Legislature are not appointed pursuant to the *Public Service Act*.

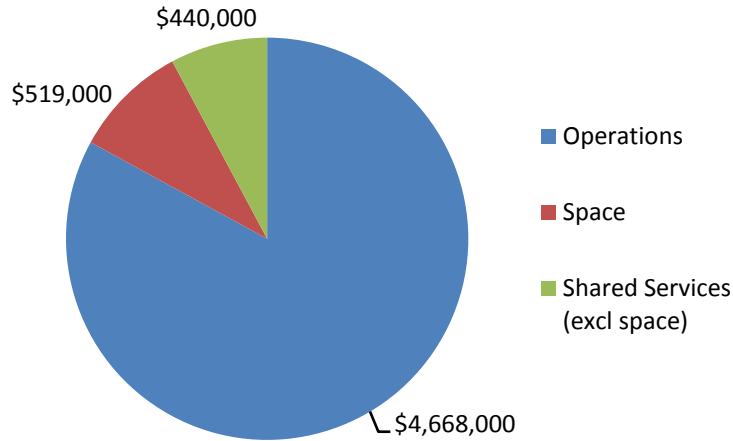


## Fiscal 2011 Proposed Operating Budget, by Expenditure Type

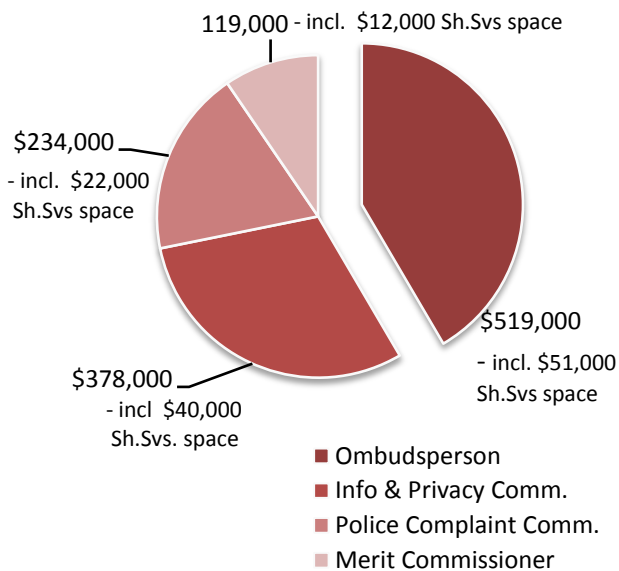


# Fiscal 2011 Proposed Shared Services and Space Budgets

**Office of the Ombudsperson  
Fiscal 2011 Operational Budget Request**  
Total: \$5,627,000



**Fiscal 2011 Space Budget, All Offices**  
(incl Amortization of Tenant Improvement Capital Costs)  
Total: \$1,250,000



**Fiscal 2011 Shared Services Budget, All Offices**  
(excl. Space for Shared Services)  
Total: \$1,063,000

