

OFFICE OF THE OMBUDSMAN

FINANCIAL STATEMENTS

For the Year Ended March 31, 2018



**Ombudsman
Saskatchewan**

Promoting Fairness

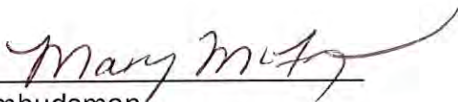
Management's Responsibility for the Financial Statements

Management of Ombudsman Saskatchewan is responsible for the accompanying financial statements. Ombudsman Saskatchewan maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to obtain reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained.

Management of Ombudsman Saskatchewan prepares these statements in accordance with Canadian public sector accounting standards, using management's best estimates and judgement when appropriate.

The Provincial Auditor expresses an independent opinion on these statements. Her report provides the scope of her audit and states her opinion.

On behalf of Ombudsman Saskatchewan.



Ombudsman



Manager of Administration



INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Office of the Ombudsman, which comprise the statement of financial position as at March 31, 2018, and the statements of operations and accumulated surplus, change in net debt, and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Office of the Ombudsman as at March 31, 2018, and the results of its operations, changes in its net debt and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan
July 11, 2018

Judy Ferguson, FCPA, FCA
Provincial Auditor

OFFICE OF THE OMBUDSMAN
Statement of Financial Position
As at March 31

ASSETS	<u>2018</u>	<u>2017</u>
Financial assets		
Due from the General Revenue Fund	\$ 143,148	\$ 239,420
Total financial assets	<u>143,148</u>	<u>239,420</u>
Liabilities		
Accounts payable	45,970	122,385
Salaries payable	2,052	1,195
Accrued leave entitlements	95,126	115,840
Total liabilities	<u>143,148</u>	<u>239,420</u>
Net debt (Statement 3)	<u>-</u>	<u>-</u>
Non - financial assets		
Tangible capital assets (Note 3)	114,319	152,418
Prepaid expenses	6,313	14,460
Total non-financial assets	<u>120,632</u>	<u>166,878</u>
Accumulated surplus (Statement 2)	\$ <u><u>120,632</u></u>	\$ <u><u>166,878</u></u>
Contractual obligations (Note 9)		

(See accompanying notes to the financial statements)

OFFICE OF THE OMBUDSMAN
Statement of Operations and Accumulated Surplus
For the Year Ended March 31

	<u>2018</u>	<u>2018</u>	<u>2017</u>
	Budget	Actual	Actual
	(Note 4)		
Revenue:			
General Revenue Fund Appropriation	\$ 3,981,000	\$ 3,247,142	\$ 3,371,104
Miscellaneous Revenue	-	5	-
	<u>3,981,000</u>	<u>3,247,147</u>	<u>3,371,104</u>
Total Revenue			
Expenses:			
Salaries and benefits	3,075,000	2,471,940	2,616,787
Office space and equipment rental	353,100	327,950	292,526
Communication	63,400	63,770	54,479
Miscellaneous services	158,700	100,081	97,341
Office supplies and expenses	27,600	14,311	22,583
Advertising, promotion, and events	67,800	101,309	66,512
Travel	64,300	56,539	55,132
Amortization (Note 3)	-	70,446	70,446
Dues and fees	67,000	55,378	47,456
Repairs and maintenance	104,100	31,669	36,445
	<u>3,981,000</u>	<u>3,293,393</u>	<u>3,359,707</u>
Total Expenses			
Operating (deficit) surplus	\$ <u>-</u>	(46,246)	11,397
Accumulated surplus, beginning of year		<u>166,878</u>	<u>155,481</u>
Accumulated surplus, end of year (Statement 1)		<u>\$ 120,632</u>	<u>\$ 166,878</u>

(See accompanying notes to the financial statements)

OFFICE OF THE OMBUDSMAN
Statement of Change in Net Debt
For the Year Ended March 31

	<u>2018</u>	<u>2017</u>
Operating (deficit) surplus	\$ (46,246)	\$ 11,397
Capital asset additions (Note 3)	(32,347)	(77,539)
Amortization of tangible capital assets (Note 3)	70,446	70,446
	<u>38,099</u>	<u>(7,093)</u>
Acquisition of prepaid expenses	(6,313)	(14,460)
Use of prepaid expenses	14,460	10,156
	<u>8,147</u>	<u>(4,304)</u>
Decrease (increase) in net debt	-	-
Net debt, beginning of the year	<u>-</u>	<u>-</u>
Net debt, end of the year (Statement 1)	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

(See accompanying notes to the financial statements)

OFFICE OF THE OMBUDSMAN
Statement of Cash Flow
For the Year Ended March 31

Cash from (used in) operating activities:	<u>2018</u>	<u>2017</u>
General Revenue Fund appropriation received	\$ 3,343,415	\$ 3,336,386
Miscellaneous revenue received	5	-
Cash provided by operations	<u>3,343,420</u>	<u>3,336,386</u>
Salaries and benefits paid	(2,491,797)	(2,597,874)
Supplies and other expenses paid	(819,276)	(660,973)
Cash (used in) operations	<u>(3,311,073)</u>	<u>(3,258,847)</u>
Cash provided from operating activities	32,347	77,539
Cash (used in) capital activities:		
Capital assets purchased (Note 3)	<u>(32,347)</u>	<u>(77,539)</u>
Cash used in capital activities	<u>(32,347)</u>	<u>(77,539)</u>
Increase (decrease) in cash and cash equivalents	-	-
Cash, beginning of the year	-	-
Cash, end of year	<u>\$ -</u>	<u>\$ -</u>

(See accompanying notes to the financial statements)

**OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

1. Authority and Description of Operations

The Ombudsman Act, 2012, gives the Ombudsman the authority to investigate or informally address complaints of unfairness in provincial and municipal government actions. *The Public Interest Disclosure Act* appoints the Ombudsman as the Public Interest Disclosure Commissioner, with the authority to provide advice to and investigate disclosures from public servants with allegations of wrongdoing or reprisal within their provincial government institutions.

The Ombudsman's Budget and Financial Statements encompass all financial aspects associated with the roles of the Ombudsman and Public Interest Disclosure Commissioner.

2. Significant Accounting Policies

These financial statements are prepared using Canadian public sector accounting standards. These statements do not include a Statement of Remeasurement Gains and Losses as the Office of the Ombudsman (Office) has no activities that give rise to remeasurement gains or losses. As a result, its accumulated surplus is the same as its accumulated operating surplus. The following accounting policies are considered to be significant.

(a) **Revenue**

The Office receives an appropriation from the General Revenue Fund to carry out its work. General Revenue Fund appropriations are included in revenue when amounts are spent or committed.

(b) **Tangible capital assets**

Tangible capital assets are reported at cost less accumulated amortization. Tangible capital assets are capitalized when the purchase amount is at or above the thresholds noted below for each category and amortized on a straight-line basis over the indicated time period:

Computer Hardware	\$2,500 / 5 years
Computer Software	\$2,500 / 5 years
Equipment and Furniture	\$2,500 / 10 years
Leasehold Improvements	\$2,500 / Lesser of remaining useful life or current lease term

(c) **Accrued employee costs**

Accrued employee costs include the value of salary payable amounts and accrued leave entitlements (including estimated sick leave accrual), which are recorded as a liability owed to staff at year end.

The Office estimates its sick leave benefit obligation based on accumulated employee sick leave entitlements. A liability for vesting or accumulating sick leave is recorded in the year the employee provides services in return for the sick leave benefits. This liability is only recorded if it is expected to be significant to the organization.

(d) **Accounting Standards Adopted**

On April 1, 2017, the Office adopted Public Sector Accounting Standards PS 2200 Related Party Disclosures, PS 3210 Assets, PS 3320 Contingent Assets, PS 3380 Contractual Rights, and PS 3420 Inter-Entity Transactions. Adoption of these standards has not resulted in any changes.

3. Tangible Capital Assets

	2018				2017	
	Hardware & Software	Equipment & Furniture	Leasehold Improvements	WIP System Development	Total	Total
Cost, April 1	\$ 64,553	\$ 110,155	\$ 258,108	\$ -	\$ 432,816	\$ 405,207
Additions	-	-	-	32,347	32,347	77,539
Disposals	(3,269)	(16,847)	-	-	(20,115)	(49,930)
Cost, March 31	61,284	93,308	258,108	32,347	445,048	432,816
Accumulated Amortization,						
April 1	15,527	58,385	206,486	-	280,398	259,882
Annual Amortization	12,257	6,568	51,622	-	70,446	70,446
Adjustment for disposals	(3,269)	(16,847)	-	-	(20,115)	(49,930)
Accumulated Amortization,						
March 31	24,515	48,106	258,108	-	330,729	280,398
Net Book Value, March 31	\$ 36,769	\$ 45,202	\$ -	\$ 32,347	\$ 114,319	\$ 152,418

**OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

4. Budget

These amounts reflected on an expense basis represent funds appropriated by the Legislative Assembly to enable the Ombudsman to carry out the Office's duties under *The Ombudsman Act, 2012*. The Office's expenditures are limited to the amount appropriated to it by the Legislative Assembly. The amount appropriated for the year was \$3,981,000.

5. Lapsing of appropriation

The Office follows *The Financial Administration Act, 1993* with regards to its spending. If the Office spends less than its appropriation by March 31, the difference is not available to acquire the goods and services in the next fiscal year.

6. Costs borne and services provided to other agencies

The Office has not been charged with certain administrative costs and employee benefit costs. These costs are borne by the Legislative Assembly and the Ministry of Finance. No provision for these costs is reflected in these financial statements.

7. Financial Instruments

The Office's financial instruments include due from the general revenue fund, accounts payable and accrued employee payables. The carrying amount of these instruments approximates fair value due to their immediate or short-term maturity. These instruments have no significant interest rate and credit risk.

8. Pension Plan

The Office participates in a defined contribution pension plan for the benefit of its employees. The Office's financial obligation of the plan is limited to making payments of 5% of employees' salaries for current service. Pension costs are not included in the Office's financial statements as these costs are borne by other agencies (Note 6).

9. Contractual Obligations

The current lease to rent the Saskatoon premise expires June 15, 2018. The Office has requested a 3-year lease term with no specified options to renew from its landlord.

The Office and its landlord are entered into a lease whereby the Office agrees to rent the Regina premises on a year-to-year basis expiring annually on January 31st. Annual lease payments are \$156,359.