

**OFFICE OF THE OMBUDSMAN AND PUBLIC INTEREST  
DISCLOSURE COMMISSIONER**

**FINANCIAL STATEMENTS**

**For the Year Ended March 31, 2019**



**Ombudsman  
Saskatchewan**

*Promoting Fairness*



**Public Interest  
Disclosure  
Commissioner**

*Speak out. Safely.*

### **Management's Responsibility for the Financial Statements**

Management of Ombudsman Saskatchewan and the Public Interest Disclosure Commissioner's Office is responsible for the accompanying financial statements. Ombudsman Saskatchewan and the Public Interest Disclosure Commissioner's Office 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 and the Public Interest Disclosure Commissioner's Office 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 and the Public Interest Disclosure Commissioner's Office.

Ombudsman and  
Public Interest Disclosure Commissioner

Manager of Administration



## INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

### Opinion

We have audited the financial statements of the Office of the Ombudsman and Public Interest Disclosure Commissioner, which comprise the statement of financial position as at March 31, 2019, and the statements of operations and accumulated surplus, change in net debt, and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Office of the Ombudsman and Public Interest Disclosure Commissioner as at March 31, 2019, 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.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Office of the Ombudsman and Public Interest Disclosure Commissioner in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Office of the Ombudsman and Public Interest Disclosure Commissioner's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Office of the Ombudsman and Public Disclosure Commissioner or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Office of the Ombudsman and Public Interest Disclosure Commissioner's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting





**PROVINCIAL AUDITOR**  
*of Saskatchewan*

from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Office of the Ombudsman and Public Interest Disclosure Commissioner's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office of the Ombudsman and Public Interest Disclosure Commissioner's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Office of the Ombudsman and Public Interest Disclosure Commissioner to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit.

Regina, Saskatchewan  
July 17, 2019

Judy Ferguson, FCPA, FCA  
Provincial Auditor  
Office of the Provincial Auditor

**OFFICE OF THE OMBUDSMAN AND PUBLIC INTEREST  
DISCLOSURE COMMISSIONER  
Statement of Financial Position  
As at March 31**

<b>ASSETS</b>	<u>2019</u>	<u>2018</u>
<b>Financial assets</b>		
Due from the General Revenue Fund	\$ 183,466	\$ 143,148
Total financial assets	<u>183,466</u>	<u>143,148</u>
<b>Liabilities</b>		
Accounts payable	95,931	45,970
Salaries payable	3,070	2,052
Accrued leave entitlements	<u>84,465</u>	<u>95,126</u>
Total liabilities	<u>183,466</u>	<u>143,148</u>
<b>Net debt (Statement 3)</b>	<u>-</u>	<u>-</u>
<b>Non - financial assets</b>		
Tangible capital assets (Note 3)	105,160	114,319
Prepaid expenses	<u>19,205</u>	<u>6,313</u>
Total non-financial assets	<u>124,365</u>	<u>120,632</u>
<b>Accumulated surplus (Statement 2)</b>	<u>\$ 124,365</u>	<u>\$ 120,632</u>
<b>Contractual obligations (Note 9)</b>		

(See accompanying notes to the financial statements)

**OFFICE OF THE OMBUDSMAN AND PUBLIC INTEREST  
DISCLOSURE COMMISSIONER  
Statement of Operations and Accumulated Surplus  
For the Year Ended March 31**

	<u>2019</u> Budget (Note 4)	<u>2019</u> Actual	<u>2018</u> Actual
<b>Revenue:</b>			
General Revenue Fund Appropriation	\$ 3,981,000	\$ 3,039,627	\$ 3,247,142
Miscellaneous Revenue	<u>-</u>	<u>-</u>	<u>5</u>
Total Revenue	<u>3,981,000</u>	<u>3,039,627</u>	<u>3,247,147</u>
<b>Expenses:</b>			
Salaries and benefits	3,075,000	2,345,487	2,471,940
Office space and equipment rental	353,100	310,409	327,950
Communication	63,400	61,019	63,770
Miscellaneous services	157,700	98,040	100,081
Office supplies and expenses	25,100	17,916	14,311
Advertising, promotion, and events	76,000	60,424	101,309
Travel	64,300	57,047	56,539
Amortization (Note 3)	-	18,824	70,446
Dues and fees	90,300	15,204	55,378
Repairs and maintenance	<u>76,100</u>	<u>51,524</u>	<u>31,669</u>
Total Expenses	<u>3,981,000</u>	<u>3,035,894</u>	<u>3,293,393</u>
<b>Operating surplus (deficit)</b>	<b>\$ <u>-</u></b>	<b>3,733</b>	<b>(46,246)</b>
Accumulated surplus, beginning of year		<u>120,632</u>	<u>166,878</u>
<b>Accumulated surplus, end of year (Statement 1)</b>		<b>\$ <u>124,365</u></b>	<b>\$ <u>120,632</u></b>

(See accompanying notes to the financial statements)

**OFFICE OF THE OMBUDSMAN AND PUBLIC INTEREST  
DISCLOSURE COMMISSIONER  
Statement of Change in Net Debt  
For the Year Ended March 31**

	<u>2019</u>	<u>2018</u>
<b>Operating surplus (deficit)</b>	\$ <u>3,733</u>	\$ <u>(46,246)</u>
Capital asset additions (Note 3)	(9,665)	(32,347)
Amortization of tangible capital assets (Note 3)	<u>18,824</u>	<u>70,446</u>
	<u>9,159</u>	<u>38,099</u>
Acquisition of prepaid expenses	(19,205)	(6,313)
Use of prepaid expenses	<u>6,313</u>	<u>14,460</u>
	<u>(12,892)</u>	<u>8,147</u>
<b>Decrease (increase) in net debt</b>	-	-
<b>Net debt, beginning of the year</b>	<u>-</u>	<u>-</u>
<b>Net debt, end of the year (Statement 1)</b>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

(See accompanying notes to the financial statements)

**OFFICE OF THE OMBUDSMAN AND PUBLIC INTEREST  
DISCLOSURE COMMISSIONER  
Statement of Cash Flow  
For the Year Ended March 31**

<b>Cash from (used in) operating activities:</b>	<u>2019</u>	<u>2018</u>
General Revenue Fund appropriation received	\$ 2,999,308	\$ 3,343,415
Miscellaneous revenue received	-	5
Cash provided by operations	<u>2,999,308</u>	<u>3,343,420</u>
Salaries and benefits paid	(2,355,130)	(2,491,797)
Supplies and other expenses paid	(634,513)	(819,276)
Cash (used in) operations	<u>(2,989,643)</u>	<u>(3,311,073)</u>
Cash provided from operating activities	9,665	32,347
<b>Cash (used in) capital activities:</b>		
Capital assets purchased (Note 3)	<u>(9,665)</u>	<u>(32,347)</u>
Cash used in capital activities	<u>(9,665)</u>	<u>(32,347)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	-	-
Cash, beginning of the year	-	-
<b>Cash, end of year</b>	<u>\$ -</u>	<u>\$ -</u>

(See accompanying notes to the financial statements)



**OFFICE OF THE OMBUDSMAN AND PUBLIC INTEREST  
DISCLOSURE COMMISSIONER  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019**

**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 and Public Interest Disclosure Commissioner (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.

**3. Tangible Capital Assets**

	2019				2018	
	Hardware & Software	Equipment & Furniture	Leasehold Improvements	Work in progress System Development	Total	Total
Cost, April 1	\$ 61,285	\$ 93,308	\$ 258,108	\$ 32,347	\$ 445,048	\$ 432,816
Additions	-	-	-	9,665	9,665	32,347
Disposals	-	-	-	-	-	(20,115)
Cost, March 31	<u>61,285</u>	<u>93,308</u>	<u>258,108</u>	<u>42,012</u>	<u>454,713</u>	<u>445,048</u>
Accumulated Amortization, April 1	24,516	48,105	258,108	-	330,729	280,398
Annual Amortization	12,257	6,567	-	-	18,824	70,446
Adjustment for disposals	-	-	-	-	-	(20,115)
Accumulated Amortization, March 31	<u>36,773</u>	<u>54,672</u>	<u>258,108</u>	<u>-</u>	<u>349,553</u>	<u>330,729</u>
Net Book Value, March 31	<u>\$ 24,512</u>	<u>\$ 38,636</u>	<u>\$ -</u>	<u>\$ 42,012</u>	<u>\$ 105,160</u>	<u>\$ 114,319</u>

**OFFICE OF THE OMBUDSMAN AND PUBLIC INTEREST  
DISCLOSURE COMMISSIONER  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019**

**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 was extended to January 31, 2022. Annual commitments under the signed lease agreement are projected to be \$145,747.

The current lease to rent the Regina Office is month to month as it is looking to relocate. New space has been acquired for 2019-20. Rent for 2019-20 is expected to be \$360,000 due to overlap associated with renovations. The lease is a multi-year term expiring on December 31, 2024. Ongoing annual commitments under the signed lease are projected to be \$375,000.

The Office has entered into an agreement with a vendor to receive Information Technology Services on an annual basis until March 31, 2020. The total annual commitment for 2019-20 is \$42,129.