

**OFFICE OF THE OMBUDSMAN
AND
PUBLIC INTEREST DISCLOSURE COMMISSIONER

FINANCIAL STATEMENTS**

For the Year Ended March 31, 2020



**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, 2020, and the statements of operations and accumulated surplus, change in net debt, and cash flows 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 Office of the Ombudsman and Public Interest Disclosure Commissioner as at March 31, 2020, and the results of its operations, changes in net debt and its cash flows 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 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 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 Interest 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 from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



PROVINCIAL AUDITOR
of Saskatchewan

- 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
August 5, 2020

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**

	ASSETS	<u>2020</u>	<u>2019</u>
Financial assets			
Due from the General Revenue Fund	\$	213,181	\$ 183,466
Accounts receivable		<u>628</u>	<u>-</u>
Total financial assets		<u>213,809</u>	<u>183,466</u>
Liabilities			
Accounts payable		70,845	95,931
Salaries payable		10,297	3,070
Accrued leave entitlements		<u>132,667</u>	<u>84,465</u>
Total liabilities		<u>213,809</u>	<u>183,466</u>
Net debt (Statement 3)		<u>-</u>	<u>-</u>
Non - financial assets			
Tangible capital assets (Note 3)		469,100	105,160
Prepaid expenses		<u>12,791</u>	<u>19,205</u>
Total non-financial assets		<u>481,891</u>	<u>124,365</u>
Accumulated surplus (Statement 2)	\$	<u>481,891</u>	\$ <u>124,365</u>
Contractual obligations (Note 9)			

(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**

	2020	2020	2019
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Note 4)		
Revenue:			
General Revenue Fund Appropriation	\$ 4,149,000	\$ 3,714,071	\$ 3,039,627
Miscellaneous Revenue	<u>-</u>	<u>990</u>	<u>-</u>
Total Revenue	<u>4,149,000</u>	<u>3,715,061</u>	<u>3,039,627</u>
Expenses:			
Salaries and benefits	3,078,000	2,383,693	2,345,487
Office space and equipment rental	414,000	504,245	310,409
Communication	33,400	33,462	61,019
Miscellaneous services	101,300	87,659	98,040
Office supplies and expenses	17,600	14,671	17,916
Advertising, promotion, and events	87,200	34,931	60,424
Travel	62,700	52,766	57,047
Amortization (Note 3)	-	121,359	18,824
Dues and fees	28,500	31,507	15,204
Repairs and maintenance	<u>326,300</u>	<u>93,242</u>	<u>51,524</u>
Total Expenses	<u>4,149,000</u>	<u>3,357,535</u>	<u>3,035,894</u>
Operating surplus (deficit)	\$ <u>-</u>	357,526	3,733
Accumulated surplus, beginning of year		<u>124,365</u>	<u>120,632</u>
Accumulated surplus, end of year (Statement 1)		\$ <u>481,891</u>	\$ <u>124,365</u>

(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>2020</u>	<u>2019</u>
Operating surplus (deficit)	\$ <u>357,526</u>	\$ <u>3,733</u>
Capital asset additions (Note 3)	(485,299)	(9,665)
Amortization of tangible capital assets (Note 3)	<u>121,359</u>	<u>18,824</u>
	<u>(363,940)</u>	<u>9,159</u>
Acquisition of prepaid expenses	(12,791)	(19,205)
Use of prepaid expenses	<u>19,205</u>	<u>6,313</u>
	<u>6,414</u>	<u>(12,892)</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
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Statement of Cash Flow
For the Year Ended March 31**

Cash from (used in) operating activities:	<u>2020</u>	<u>2019</u>
General Revenue Fund appropriation received	\$ 3,683,727	\$ 2,999,308
Miscellaneous revenue received	990	-
Cash provided by operations	<u>3,684,717</u>	<u>2,999,308</u>
Salaries and benefits paid	(2,328,265)	(2,355,130)
Supplies and other expenses paid	<u>(871,153)</u>	<u>(634,513)</u>
Cash (used in) operations	<u>(3,199,418)</u>	<u>(2,989,643)</u>
Cash provided from operating activities	485,299	9,665
Cash (used in) capital activities:		
Capital assets purchased (Note 3)	<u>(485,299)</u>	<u>(9,665)</u>
Cash used in capital activities	<u>(485,299)</u>	<u>(9,665)</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
AND
PUBLIC INTEREST DISCLOSURE COMMISSIONER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

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:

System Development	\$2,500 / 10 years
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

	2020					2019	
	Hardware & Software	Equipment & Furniture	Leasehold Improvements	System Development	Work in Progress System Development	Total	Total
Cost, April 1	\$ 61,285	\$ 93,308	\$ 258,108	\$ -	\$ 42,012	\$ 454,713	\$ 445,048
Transferred in/(out)				42,012	(42,012)	-	-
Additions	3,972	21,749	447,005	12,573	-	485,299	9,665
Disposals	-	(13,967)	-	-	-	(13,967)	-
Cost, March 31	65,257	101,090	705,113	54,585	-	926,045	454,713
Accumulated Amortization, April 1	36,773	54,672	258,108	-	-	349,553	330,729
Annual Amortization	13,051	8,744	94,106	5,458	-	121,359	18,824
Adjustment for disposals	-	(13,967)	-	-	-	(13,967)	-
Accumulated Amortization, March 31	49,824	49,449	352,214	5,458	-	456,945	349,553
Net Book Value, March 31	\$ 15,433	\$ 51,641	\$ 352,899	\$ 49,127	\$ -	\$ 469,100	\$ 105,160

**OFFICE OF THE OMBUDSMAN
AND
PUBLIC INTEREST DISCLOSURE COMMISSIONER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

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 and The Public Interest Disclosure Act*. The Office's expenditures are limited to the amount appropriated to it by the Legislative Assembly. The amount appropriated for the year was \$4,149,000.

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 receivable, 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 estimated commitments under the signed lease agreement for fiscal 2020-21 and 2021-22 are projected to be \$157,187 and \$130,990.

The current lease to rent the Regina Office was extended to December 31, 2024. Annual estimated commitments under the signed lease agreement for fiscal years 2020-21 to 2022-23 are projected to be \$399,416 annually and the estimated commitment for 2023-24 is projected to be \$299,562.

The Office has entered an agreement with a vendor for the rental and display of art until April 30, 2021. The total annual commitments for 2020-21 are \$593.

An agreement between The Office and a vendor was entered into for Information Technology Services on an annual basis until March 31, 2025. The total annual estimated commitment for 2020-21 to 2024-25 are projected to be \$42,132.

10. Impact of COVID-19 Pandemic

The COVID-19 pandemic is complex and rapidly evolving. It has caused material disruption to businesses and has resulted in an economic slowdown. The Office continues to assess and monitor the impact of COVID-19 on its financial condition, including the likelihood of increased expenses as a direct result of this crisis. The magnitude and duration of COVID-19 is uncertain and, accordingly, it is difficult to reliably measure the potential future impact on the Office's financial position and operations.