

**OFFICE OF THE OMBUDSMAN
AND
PUBLIC INTEREST DISCLOSURE COMMISSIONER

FINANCIAL STATEMENTS**

For the Year Ended March 31, 2021




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, 2021, and the statements of operations and accumulated surplus, changes 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 the Office of the Ombudsman and Public Interest Disclosure Commissioner as at March 31, 2021, and the results of its operations, changes in its 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 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 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
July 14, 2021

A handwritten signature in black ink, reading 'T. Clemett'.

Tara Clemett, CPA, CA, CISA
Acting 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>2021</u>	<u>2020</u>
Financial assets			
Due from the General Revenue Fund	\$	247,311	\$ 213,181
Accounts receivable		<u>-</u>	<u>628</u>
Total financial assets		<u>247,311</u>	<u>213,809</u>
Liabilities			
Accounts payable		68,647	70,845
Salaries payable		13,924	10,297
Accrued leave entitlements		<u>164,740</u>	<u>132,667</u>
Total liabilities		<u>247,311</u>	<u>213,809</u>
Net debt (Statement 3)		<u>-</u>	<u>-</u>
Non - financial assets			
Tangible capital assets (Note 3)		347,742	469,100
Prepaid expenses		<u>13,539</u>	<u>12,791</u>
Total non-financial assets		<u>361,281</u>	<u>481,891</u>
Accumulated surplus (Statement 2)	\$	<u>361,281</u>	\$ <u>481,891</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**

	2021	2021	2020
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Note 4)		
Revenue:			
General Revenue Fund Appropriation	\$ 4,249,000	\$ 3,213,318	\$ 3,714,071
Miscellaneous Revenue	<u>-</u>	<u>739</u>	<u>990</u>
Total Revenue	<u>4,249,000</u>	<u>3,214,057</u>	<u>3,715,061</u>
Expenses:			
Salaries and benefits	3,175,000	2,310,034	2,383,693
Office space and equipment rental	563,300	562,933	504,245
Communication	34,100	34,104	33,462
Miscellaneous services	139,300	79,997	87,659
Office supplies and expenses	17,500	20,049	14,671
Advertising, promotion, and events	62,500	60,719	34,931
Travel	56,200	14,339	52,766
Amortization (Note 3)	-	121,358	121,359
Dues and fees	109,000	65,265	31,507
Repairs and maintenance	<u>92,100</u>	<u>65,869</u>	<u>93,242</u>
Total Expenses	<u>4,249,000</u>	<u>3,334,667</u>	<u>3,357,535</u>
Operating (deficit) surplus	<u>\$ -</u>	(120,610)	357,526
Accumulated surplus, beginning of year		<u>481,891</u>	<u>124,365</u>
Accumulated surplus, end of year (Statement 1)		<u>\$ 361,281</u>	<u>\$ 481,891</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>2021</u>	<u>2020</u>
Operating surplus (deficit)	\$ (120,610)	\$ 357,526
Capital asset additions (Note 3)	-	(485,299)
Amortization of tangible capital assets (Note 3)	121,358	121,359
	<u>121,358</u>	<u>(363,940)</u>
Acquisition of prepaid expenses	(13,539)	(12,791)
Use of prepaid expenses	12,791	19,205
	<u>(748)</u>	<u>6,414</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
AND
PUBLIC INTEREST DISCLOSURE COMMISSIONER
Statement of Cash Flow
For the Year Ended March 31**

Cash from (used in) operating activities:	2021	2020
	<u> </u>	<u> </u>
General Revenue Fund appropriation received	\$ 3,179,815	\$ 3,683,727
Miscellaneous revenue received	739	990
Cash provided by operations	<u>3,180,554</u>	<u>3,684,717</u>
Salaries and benefits paid	(2,274,334)	(2,328,265)
Supplies and other expenses paid	<u>(906,220)</u>	<u>(871,153)</u>
Cash (used in) operations	<u>(3,180,554)</u>	<u>(3,199,418)</u>
Cash provided from operating activities	-	485,299
Cash (used in) capital activities:		
Capital assets purchased (Note 3)	<u>-</u>	<u>(485,299)</u>
Cash used in capital activities	<u>-</u>	<u>(485,299)</u>
Increase (decrease) in cash and cash equivalents	-	-
Cash, beginning of the year	-	-
Cash, end of year	<u><u>\$ -</u></u>	<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, 2021**

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

	2021				2020	
	Hardware & Software	Equipment & Furniture	Leasehold Improvements	System Development	Total	Total
Cost, April 1	\$ 65,257	\$ 101,090	\$ 705,113	\$ 54,585	\$ 926,045	\$ 454,713
Additions	-	-	-	-	-	485,299
Disposals	-	-	-	-	-	(13,967)
Cost, March 31	65,257	101,090	705,113	54,585	926,045	926,045
Accumulated Amortization, April 1	49,824	49,449	352,214	5,458	456,945	349,553
Annual Amortization	13,051	8,743	94,106	5,458	121,358	121,359
Adjustment for disposals	-	-	-	-	-	(13,967)
Accumulated Amortization, March 31	62,875	58,192	446,320	10,916	578,303	456,945
Net Book Value, March 31	\$ 2,382	\$ 42,898	\$ 258,793	\$ 43,669	\$ 347,742	\$ 469,100

**OFFICE OF THE OMBUDSMAN
AND
PUBLIC INTEREST DISCLOSURE COMMISSIONER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021**

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 \$4,249,000.

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 Office was extended to January 31, 2022. The estimated commitment for fiscal year 2021-22 under the signed lease agreement is \$131,840.

The current lease to rent the Regina Office was extended to December 31, 2024. The estimated annual commitments for fiscal year 2021-22 through 2024-25 under the lease agreement is \$401,617.

The Office entered into an agreement for the provision of information technology services on an annual basis until March 31, 2025. The total annual commitment for fiscal years 2021-22 through 2024-25 is projected to be \$42,129.

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. Due to the current situation, travel expenses for 2020-21 were significantly reduced.