

OFFICE OF THE OMBUDSMAN

FINANCIAL STATEMENTS

For the Year Ended March 31, 2012

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, 2012, 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.

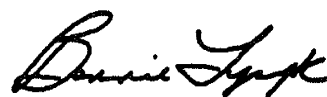
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2012, 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

Regina, Saskatchewan
July 30, 2012



Bonnie Lysyk, MBA, CA
Provincial Auditor

**OFFICE OF THE OMBUDSMAN
STATEMENT OF FINANCIAL POSITION
As at March 31**

STATEMENT 1

	<u>2012</u>	<u>2011</u>
ASSETS		
Financial assets		
Due from the General Revenue Fund	\$ 258,953	\$ 102,340
Miscellaneous accounts receivable	<u>1,350</u>	<u>9</u>
Total financial assets	<u>260,303</u>	<u>102,349</u>
Liabilities		
Accounts payable	188,704	66,959
Salaries payable	11,227	5,064
Accrued vacation pay	<u>60,372</u>	<u>30,326</u>
Total liabilities	<u>260,303</u>	<u>102,349</u>
Net debt (Statement 3)	<u>-</u>	<u>-</u>
Non-financial assets		
Tangible capital assets (note 3)	60,861	48,128
Prepaid expenses	<u>9,447</u>	<u>3,625</u>
Total non-financial assets	<u>70,308</u>	<u>51,753</u>
Accumulated surplus (Statement 2)	<u><u>\$ 70,308</u></u>	<u><u>\$ 51,753</u></u>

(See accompanying notes to the financial statements)

**OFFICE OF THE OMBUDSMAN
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the Year Ended March 31**

STATEMENT 2

	2012 Budget (Note 4)	2012 Actual	2011 Actual
Revenue:			
General Revenue Fund appropriation	\$ 2,986,963	\$ 2,887,659	\$ 2,223,264
Miscellaneous	-	23	-
	<u>2,986,963</u>	<u>2,887,682</u>	<u>2,223,264</u>
Expenses:			
Salaries and benefits	2,327,963	2,161,323	1,833,885
Office space and equipment rental	220,700	220,200	163,125
Communication	30,500	28,696	27,689
Miscellaneous services	67,800	73,839	63,897
Office supplies and expenses	27,900	23,743	14,216
Advertising, promotion, and events	37,100	146,866	23,935
Travel	66,100	68,699	38,054
Amortization	3,000	32,928	24,646
Dues and fees	160,300	67,671	25,309
Repairs and maintenance	45,600	45,162	24,427
	<u>2,986,963</u>	<u>2,869,127</u>	<u>2,239,183</u>
Annual surplus (deficit)	<u>\$ 0</u>	18,555	(15,919)
Accumulated surplus, beginning of the year		<u>51,753</u>	<u>67,672</u>
Accumulated surplus, end of the year (Statement 1)		<u>\$ 70,308</u>	<u>\$ 51,753</u>

(See accompanying notes to the financial statements)

**OFFICE OF THE OMBUDSMAN
STATEMENT OF CHANGE IN NET DEBT
For the Year Ended March 31**

STATEMENT 3

	2012	2011
Annual surplus (deficit)	\$ 18,555	\$ (15,919)
Capital asset additions	(45,661)	(10,917)
Amortization	32,928	24,646
	(12,733)	13,729
Net acquisition of prepaid expenses	(5,822)	2,190
	(18,555)	15,919
(Increase) decrease in net debt	-	-
Net debt, beginning of the year	-	-
Net debt, end of the year (Statement 1)	\$ -	\$ -

(See accompanying notes to the financial statements)

**OFFICE OF THE OMBUDSMAN
STATEMENT OF CASH FLOW
For the Year Ended March 31**

STATEMENT 4

	2012	2011
Cash flows from:		
Operating activities:		
General Revenue Fund appropriation received	\$ 2,729,705	\$ 2,248,732
Miscellaneous revenue	23	-
Salaries and benefits paid	(2,125,113)	(1,861,015)
Supplies and other expenses paid	(558,954)	(376,800)
Cash provided by (used in) operations	45,661	10,917
Capital activities:		
Capital assets purchased	(45,661)	(10,917)
Net increase (decrease) in cash	-	-
Cash, beginning of the year	-	-
Cash, end of the year	\$ -	\$ -

(See accompanying notes to the financial statements)

OFFICE OF THE OMBUDSMAN
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2012

1. Authority and description of operations

The Ombudsman and Children's Advocate Act establishes the Ombudsman. The Ombudsman is an officer of the Legislative Assembly and is appointed by resolution of the Assembly. The mandate of the office is to investigate complaints received from the public who believe the government administration has dealt with them unfairly.

2. Summary of accounting policies

These financial statements are prepared using Canadian public sector accounting standards. The following accounting policies are considered to be significant.

a) Revenue

The Ombudsman receives an appropriation from the Board of Internal Economy to carry out its work. General Revenue Fund appropriations are included in revenue when amounts are spent or committed. The Ombudsman's expenditures are limited to the amount appropriated to it by the Board of Internal Economy.

b) Tangible capital assets

Tangible capital assets are reported at cost less accumulated amortization. All tangible capital assets are amortized on a straight-line basis over a life of five years, except leasehold improvements which are amortized over two years.

c) Accrued employee costs

Accrued employee costs include the value of salary payable amounts, which are recorded as a liability.

3. Tangible capital assets

	Computer Hardware	Computer Software	Equipment & Furniture	Leasehold Improvements	Total 2012	Total 2011
Cost, April 1	85,299	50,209	101,790	40,309	277,607	284,397
Additions in year	3,269	39,173	-	3,219	45,661	10,917
Disposals in year	-	-	-	-	-	(17,707)
Cost, March 31	88,568	89,382	101,790	43,528	323,268	277,607
Accumulated Amortization April 1	74,576	46,677	73,375	34,851	229,479	222,540
Amortization in year	5,863	9,754	10,243	7,068	32,928	24,646
Adjustments to amortization in year (disposals)	-	-	-	-	-	(17,707)
Accumulated Amortization, March 31	80,439	56,431	83,618	41,919	262,407	229,479
Net Book Value	8,129	32,951	18,172	1,609	60,861	48,128

4. Budget

These amounts represent funds appropriated by the Board of Internal Economy to enable the Ombudsman to carry out its duties under *The Ombudsman and Children's Advocate Act*.

5. Costs borne by and services provided to other agencies

The Ombudsman has not been charged with certain administrative costs. These costs are borne by the Legislative Assembly. No provision for these costs is reflected in these financial statements.

The Conflict of Interest Commissioner utilizes office space and receives certain administrative services at the Ombudsman's Regina location. No fees are charged to the Conflict of Interest Commissioner for these services.

6. Lapsing of appropriation

The Ombudsman follows *The Financial Administration Act, 1993* with regards to its spending. If the Ombudsman spends less than its appropriation by March 31, it must return the difference to the General Revenue Fund.

7. Financial Instruments

The Ombudsman's financial instruments include due from the General Revenue Fund, miscellaneous 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. Legislative Amendments

The Ombudsman Act, 2011 received royal assent May 16, 2012. Upon proclamation, *The Ombudsman and Children's Advocate Act* will be repealed and the new Act will be in force. The new act is not expected to have a significant financial impact on the Office.