

**OFFICE OF THE OMBUDSMAN**

**FINANCIAL STATEMENTS**

**For the Year Ended March 31, 2013**

## 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, 2013, and the statements of operations and accumulated surplus, changes in net debt, and cash flows 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, 2013, 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.



Bonnie Lysyk, MBA, CA  
Provincial Auditor

Regina, Saskatchewan  
June 27, 2013

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

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
<b>Financial assets</b>		
Due from the General Revenue Fund	\$ 174,005	\$ 258,953
Miscellaneous accounts receivable	-	1,350
Total financial assets	<u>174,005</u>	<u>260,303</u>
<b>Liabilities</b>		
Accounts payable	86,419	188,704
Salaries payable	6,974	11,227
Accrued vacation pay	<u>80,612</u>	<u>60,372</u>
Total liabilities	<u>174,005</u>	<u>260,303</u>
<b>Net debt (Statement 3)</b>	<u>-</u>	<u>-</u>
<b>Non - financial assets</b>		
Tangible capital assets (Note 3)	59,199	60,861
Prepaid expenses	<u>8,895</u>	<u>9,447</u>
Total non-financial assets	<u>68,094</u>	<u>70,308</u>
<b>Accumulated surplus (Statement 2)</b>	<u>\$ 68,094</u>	<u>\$ 70,308</u>

(See accompanying notes to the financial statements)

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

	<u>2013</u> Budget (Note 4)	<u>2013</u> Actual	<u>2012</u> Actual
<b>Revenue:</b>			
General Revenue Fund Appropriation	\$ 3,074,500	\$ 3,037,550	\$ 2,887,659
Miscellaneous	<u>-</u>	<u>93</u>	<u>23</u>
Total Revenue	<u>3,074,500</u>	<u>3,037,643</u>	<u>2,887,682</u>
<b>Expenses:</b>			
Salaries and benefits (Note 6)	2,391,000	2,393,628	2,161,323
Office space and equipment rental	223,600	223,581	220,200
Communication	29,200	28,343	28,696
Miscellaneous services	75,100	80,767	73,839
Office supplies and expenses	25,000	22,310	23,743
Advertising, promotion, and events	97,000	97,732	146,866
Travel	72,800	73,935	68,699
Amortization	-	23,414	32,928
Dues and fees	83,700	52,510	67,671
Repairs and maintenance	77,100	43,469	45,162
Loss on disposal of fixed assets	<u>-</u>	<u>168</u>	<u>-</u>
Total Expenses	<u>3,074,500</u>	<u>3,039,857</u>	<u>2,869,127</u>
<b>Operating surplus (deficit)</b>	<b>\$ <u>-</u></b>	<b>(2,214)</b>	<b>18,555</b>
Accumulated surplus, beginning of year		<u>70,308</u>	<u>51,753</u>
<b>Accumulated surplus, end of year (Statement 1)</b>		<b>\$ <u>68,094</u></b>	<b>\$ <u>70,308</u></b>

(See accompanying notes to the financial statements)

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

	<u>2013</u>	<u>2012</u>
<b>Operating (deficit) surplus</b>	\$ (2,214)	\$ 18,555
Capital asset additions	(21,920)	(45,661)
Amortization of tangible capital assets	23,414	32,928
Loss on disposal of capital assets	168	-
	<u>1,662</u>	<u>(12,733)</u>
Acquisition of prepaid expenses	(8,895)	(9,447)
Use of prepaid expenses	9,447	3,625
	<u>552</u>	<u>(5,822)</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**  
**Statement of Cash Flow**  
**For the Year Ended March 31**

<b>Cash from (used in) operating activities:</b>	<u>2013</u>	<u>2012</u>
General Revenue Fund appropriation received	\$ 3,123,849	\$ 2,729,705
Miscellaneous Revenue	93	23
Salaries and benefits paid	(2,377,642)	(2,125,113)
Supplies and other expenses paid	(724,380)	(558,954)
 Cash provided by (used in) operations	 <u>21,920</u>	 <u>45,661</u>
 <b>Cash from (used in) in capital activities:</b>		
Capital assets purchased	<u>(21,920)</u>	<u>(45,661)</u>
 Cash from (used in) capital activities	 <u>(21,920)</u>	 <u>(45,661)</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  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2013**

**1. Authority and Description of Operations**

On May 3, 2012, the Ombudsman was named Saskatchewan's Public Interest Disclosure Commissioner. The Public Interest Disclosure Commissioner's office operates as part of the Ombudsman's office. The Ombudsman receives funding to investigate public interest disclosures, including providing advice to, and receiving disclosures from public servants about alleged wrongdoings in their government organizations, and about reprisals against public servants for seeking advice from, or making disclosures to the Ombudsman/Commissioner.

As of September 2012, The Ombudsman Act, 2012, gives the Ombudsman jurisdiction over certain new publicly-funded health entities, including affiliates of regional health authorities and health care organizations prescribed in The Regional Health Services Administration Regulations that receive funding from a Regional Health Authority for the provision of health services.

The Ombudsman's Estimates and Financial Statements encompass all financial aspects associated with the Ombudsman's role, including Public Interest Disclosure.

**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 or losses as the 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

(a) Revenue

The Ombudsman 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 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 owed to staff at year

(d) Application of New Accounting Standards

Effective April 1, 2012, the Office applied the following standards on a prospective basis. The application of these standards have had no effect on these financial statements.

- i) PS1201 - Financial Statement Presentation
- ii) PS2601 - Foreign Currency Translation
- iii) PS3450 - Financial Instruments

**3. Tangible Capital Assets**

	2013				2012	
	Hardware & Software	Furniture	Leasehold Improvements	WIP Leasehold Improvements	Total	Total
Cost, April 1	\$ 177,950	\$ 101,790	\$ 43,528	\$ -	\$ 323,268	\$ 277,607
Additions	1,681	-	-	20,239	21,920	45,661
Disposals	(5,384)	(3,920)	-	-	(9,304)	-
Cost, March 31	<u>174,247</u>	<u>97,870</u>	<u>43,528</u>	<u>20,239</u>	<u>335,884</u>	<u>323,268</u>
Accumulated Amortization						
April 1	136,870	83,618	41,919	-	262,407	229,479
Amortization	12,414	9,391	1,609	-	23,414	32,928
Disposals	(5,384)	(3,752)	-	-	(9,136)	-
Accumulated Amortization						
March 31	<u>143,900</u>	<u>89,257</u>	<u>43,528</u>	<u>-</u>	<u>276,685</u>	<u>262,407</u>
Net Book Value, March 31	<u>\$ 30,347</u>	<u>\$ 8,613</u>	<u>\$ -</u>	<u>\$ 20,239</u>	<u>\$ 59,199</u>	<u>\$ 60,861</u>

**OFFICE OF THE OMBUDSMAN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2013**

**4. Budget**

These amounts represent funds approved by the Legislative Assembly to enable the Ombudsman to carry out his duties under *The Ombudsman Act, 2012*. The Ombudsman's expenditures are limited to the amount appropriated to it by the Legislative Assembly.

**5. 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, 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 Ombudsman 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.

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.

**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. 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.