

**OFFICE OF THE OMBUDSMAN**

**FINANCIAL STATEMENTS**

**For the Year Ended March 31, 2014**



## 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, 2014, 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 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, 2014, 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.

Judy Ferguson, FCA  
Acting Provincial Auditor

Regina, Saskatchewan  
June 18, 2014

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

	2014	2013
<b>ASSETS</b>		
<b>Financial assets</b>		
Due from the General Revenue Fund	\$ 394,440	\$ 174,005
Total financial assets	394,440	174,005
<b>Liabilities</b>		
Accounts payable	283,088	86,419
Salaries payable	410	6,974
Accrued leave entitlements	110,942	80,612
Total liabilities	394,440	174,005
<b>Net debt (Statement 3)</b>	-	-
<b>Non - financial assets</b>		
Tangible capital assets (Note 3)	166,571	59,199
Prepaid expenses	9,902	8,895
Total non-financial assets	176,473	68,094
<b>Accumulated surplus (Statement 2)</b>	\$ 176,473	\$ 68,094

(See accompanying notes to the financial statements)

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

	2014 Budget (Note 4)	2014 Actual	2013 Actual
<b>Revenue:</b>			
General Revenue Fund Appropriation	\$ 3,594,000	\$ 3,512,849	\$ 3,037,550
Miscellaneous		28	93
	<u>3,594,000</u>	<u>3,512,877</u>	<u>3,037,643</u>
Total Revenue			
<b>Expenses:</b>			
Salaries and benefits	2,495,000	2,418,772	2,393,628
Office space and equipment rental	295,100	301,375	223,581
Communication	32,500	35,800	28,343
Miscellaneous services	87,400	78,364	80,767
Office supplies and expenses	28,500	29,266	22,310
Advertising, promotion, and events	100,600	133,436	97,732
Travel	92,400	102,828	73,935
Amortization	-	154,912	23,414
Dues and fees	113,300	78,914	52,510
Repairs and maintenance	49,200	61,685	43,469
Loss on disposal of capital assets	-	-	168
	<u>3,294,000</u>	<u>3,395,352</u>	<u>3,039,857</u>
Total Expenses			
<b>Operating surplus (deficit)</b>	<b>\$ <u>300,000</u></b>	<b>117,525</b>	<b>(2,214)</b>
Accumulated surplus, beginning of year		68,094	70,308
Adjustment for sick leave benefit obligation (Note 9)		<u>(9,146)</u>	<u>-</u>
<b>Accumulated surplus, end of year (Statement 1)</b>		<b>\$ <u>176,473</u></b>	<b>\$ <u>68,094</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**

	2014 Budget <u>(Note 4)</u>	2014 Actual	2013 Actual
<b>Operating surplus (deficit)</b>	\$ 300,000	\$ 117,525	\$ (2,214)
Capital asset additions	(300,000)	(262,284)	(21,920)
Amortization of tangible capital assets	-	154,912	23,414
Loss on disposal of capital assets	-	-	168
	<u>(300,000)</u>	<u>(107,372)</u>	<u>1,662</u>
Acquisition of prepaid expenses	-	(9,902)	(8,895)
Use of prepaid expenses	-	8,895	9,447
	-	<u>(1,007)</u>	552
<b>Decrease (increase) in net debt</b>	-	9,146	-
<b>Net debt, beginning of the year</b>	-	-	-
Adjustment for sick leave benefit obligation (Note 9)	-	(9,146)	-
	<u>-</u>	<u>(9,146)</u>	<u>-</u>
<b>Net debt, end of the year (Statement 1)</b>	\$ <u>-</u>	\$ <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, 2014**

**1. Authority and Description of Operations**

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.

*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 be significant.

(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, estimated sick leave accrual and accrued leave entitlements, 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**

	2014				2013
	Hardware & Software	Equipment & Furniture	Leasehold Improvements	Total	Total
Cost, April 1	\$ 174,248	\$ 97,871	\$ 20,240	\$ 292,359	\$ 323,268
Additions	3,452	20,964	237,868	262,284	21,920
Disposals	(1,565)	(5,758)	-	(7,323)	(9,304)
Cost, March 31	<u>176,135</u>	<u>113,077</u>	<u>258,108</u>	<u>547,320</u>	<u>335,884</u>
Accumulated Amortization, April 1	143,902	89,258	-	233,160	262,407
Annual Amortization	13,052	12,806	129,054	154,912	23,414
Adjustment for disposals	(1,565)	(5,758)	-	(7,323)	(9,136)
Accumulated Amortization, March 31	<u>155,389</u>	<u>96,306</u>	<u>129,054</u>	<u>380,749</u>	<u>276,685</u>
Net Book Value, March 31	<u>\$ 20,746</u>	<u>\$ 16,771</u>	<u>\$ 129,054</u>	<u>\$ 166,571</u>	<u>\$ 59,199</u>

**OFFICE OF THE OMBUDSMAN  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014**

**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 Ombudsman's expenditures are limited to the amount appropriated to it by the Legislative Assembly. For 2013-14, the Legislative Assembly approved an appropriation of \$3,594,000.

**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.

**9. Adjustment to Accumulated Surplus**

**Accumulated Sick Leave Benefit Obligation**

During 2013-14, a liability for an accumulated sick leave benefit obligation was reported in accordance with Canadian public sector accounting standards. The liability was accounted for retroactively without restatement of the prior periods and resulting in an increase to accounts payable and accrued liabilities and a decrease to opening accumulated surplus of \$9,146.