

**OFFICE OF THE INFORMATION AND PRIVACY COMMISSIONER**

**FINANCIAL STATEMENTS**

**For the Year Ended March 31, 2017**



## 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 Information and Privacy Commissioner, which comprise the statement of financial position as at March 31, 2017, 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 Information and Privacy Commissioner as at March 31, 2017, 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  
August 1, 2017

Judy Ferguson, FCPA, FCA  
Provincial Auditor

**Office of the Information and Privacy Commissioner**  
**Statement of Financial Position**  
**As at March 31**

	<u>2017</u>	<u>2016</u> <u>(Restated</u> <u>Note 10)</u>
<b>Financial assets</b>		
Due from the General Revenue Fund	\$ 61,736	\$ 157,519
Accounts receivable	-	5,242
	<u>61,736</u>	<u>162,761</u>
<b>Liabilities</b>		
Accounts payable	52,145	143,837
Accrued leave entitlements	9,591	18,924
	<u>61,736</u>	<u>162,761</u>
<b>Net debt</b> (Statement 3)	<u>-</u>	<u>-</u>
<b>Non - financial assets</b>		
Tangible capital assets (Note 3, 11)	106,794	94,407
Prepaid expenses	5,975	7,625
	<u>112,769</u>	<u>102,032</u>
<b>Accumulated surplus (Statement 2)</b>	<u>\$ 112,769</u>	<u>\$ 102,032</u>
<b>Contractual obligations (Note 8)</b>		

(See accompanying notes to the financial statements)

**Office of the Information and Privacy Commissioner  
Statement of Operations and Accumulated Surplus  
for the year ended March 31**

	Budget (Note 4)	<u>2017</u> Actual	<u>2016</u> (Restated Note 10) Actual
<b>Revenue</b>			
General Revenue Fund appropriation	\$ 1,561,000	\$ 1,577,801	\$ 1,528,820
Miscellaneous revenue	-	614	-
	<u>1,561,000</u>	<u>1,578,415</u>	<u>1,528,820</u>
Total Revenue			
<b>Expenses</b>			
Salaries and other employment expenses	1,191,000	1,132,397	1,076,632
Administration and operating expenses	70,550	66,390	68,742
Rental of space and equipment	225,854	246,365	221,145
Travel	23,696	11,078	5,826
Advertising and promotion	11,700	5,112	3,729
Amortization (Note 3, 11)	-	23,649	25,178
Contractual and legal services	38,200	73,544	52,233
Loss on disposal of capital assets	-	9,143	-
	<u>1,561,000</u>	<u>1,567,678</u>	<u>1,453,485</u>
Total Expenses			
<b>Operating surplus</b>	\$ <u>-</u>	10,737	75,335
Accumulated surplus, beginning of year		102,032	26,697
<b>Accumulated surplus, end of year (Statement 1)</b>		<u>\$ 112,769</u>	<u>\$ 102,032</u>

(See accompanying notes to the financial statements)

**Office of the Information and Privacy Commissioner**  
**Statement of Changes in Net Debt**  
**for the year ended March 31**

	<u>2017</u>	<u>2016</u> <u>(Restated</u> <u>Note 10)</u>
<b>Operating (deficit) surplus</b>	\$ 10,737	\$ 75,335
Acquisition of tangible capital assets (Note 3)	(45,179)	(94,867)
Amortization of tangible capital assets (Note 3, 11)	23,649	25,178
Loss on disposal of capital assets	9,143	-
	<u>(12,387)</u>	<u>(69,689)</u>
Decrease (increase) in prepaid expense	1,650	(5,646)
	<u>(10,737)</u>	<u>(75,335)</u>
<b>Decrease (increase) in net debt</b>	-	-
Net debt, beginning of year	-	-
<b>Net debt, end of year (Statement 1)</b>	<u>\$ -</u>	<u>\$ -</u>

(See accompanying notes to the financial statements)

**Office of the Information and Privacy Commissioner  
Statement of Cash Flows  
for the year ended March 31**

	<u>2017</u>	<u>2016 (Restated Note 10)</u>
<b>Cash from (used in) operating activities:</b>		
General Revenue Fund appropriation received	\$ 1,678,826	\$ 1,401,252
Miscellaneous revenue received	614	-
Salaries paid	(1,141,730)	(1,068,349)
Supplies and other expenses paid	<u>(492,531)</u>	<u>(238,036)</u>
Cash from operating activities	<u>45,179</u>	<u>94,867</u>
 <b>Cash used in capital activities:</b>		
Acquisition of tangible capital assets (Note 3)	<u>(45,179)</u>	<u>(94,867)</u>
Cash used in capital activities	<u>(45,179)</u>	<u>(94,867)</u>
 <b>Increase (decrease) in cash and cash equivalents</b>	 -	 -
Cash and cash equivalents, beginning of year	-	-
 <b>Cash and cash equivalents, end of year</b>	 \$ <u><u>-</u></u>	 \$ <u><u>-</u></u>

(See accompanying notes to the financial statements)

**OFFICE OF THE INFORMATION AND PRIVACY COMMISSIONER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended MARCH 31, 2017**

**1. Authority and Description of Operations**

*The Freedom of Information and Protection of Privacy Act* (Act) states that the Lieutenant Governor in Council, on the recommendation of the Assembly, shall appoint an Information and Privacy Commissioner. The Commissioner is an officer of the Legislative Assembly and is appointed by resolution. The mandate of the Office of the Information and Privacy Commissioner (Office) is to review Government decisions under the Act to ensure the protection of the public's right to access records held or controlled by the Government and to ensure that personal information is only collected, used and disclosed according to the manner and purposes set out in the Act.

**2. Significant Accounting Policies**

The Office uses Canadian public sector accounting standards to prepare its financial statements. These statements do not include a Statement of Remeasurement Gains and Losses as the Office has no activities that give rise to remeasurement gains or losses. As a result, the 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	\$1,500/10 years
Computer Hardware	\$1,500 / 5 years
Computer Software	\$1,500 / 5 years
Furniture and Equipment	\$1,500 / 10 years
Leasehold Improvements	\$1,500 / Lesser of remaining useful life or current lease term

(c) Sick leave benefit obligation

The Office has an obligation to record a 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 (Note 11)**

	2017				Total 2017	(Restated - Note 10)
	Hardware & Software	Furniture & Equipment	Leasehold Improvements	System Development		Total 2016
Cost, April 1	\$ 9,952	\$ 52,724	\$ 151,915	\$ -	\$ 214,591	\$ 119,724
Additions	1,584	10,711	14,850	18,034	45,179	94,867
Disposals	-	(18,699)	(9,874)	-	(28,573)	-
Cost, March 31	<u>11,536</u>	<u>44,736</u>	<u>156,891</u>	<u>18,034</u>	<u>231,197</u>	<u>214,591</u>
Accumulated amortization, April 1	6,674	44,660	68,850	-	120,184	95,006
Annual amortization	1,410	2,038	18,398	1,803	23,649	25,178
Adjustment for disposals	-	(15,480)	(3,950)	-	(19,430)	-
Accumulated amortization, March 31	<u>8,084</u>	<u>31,218</u>	<u>83,298</u>	<u>1,803</u>	<u>124,403</u>	<u>120,184</u>
Net Book Value, March 31	<u>\$ 3,452</u>	<u>\$ 13,518</u>	<u>\$ 73,593</u>	<u>\$ 16,231</u>	<u>\$ 106,794</u>	<u>\$ 94,407</u>

**OFFICE OF THE INFORMATION AND PRIVACY COMMISSIONER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

**4. Budget**

These amounts represent funds approved by the Legislative Assembly to carry out duties under the Act. The Office's expenditures are limited to the amount appropriated to it by the Legislative Assembly.

The amount appropriated for the year was \$1,561,000. During the year, additional funding was requested to hire a temporary analyst to assist with an increase in requested investigations. On October 4, 2016, \$38,000 was recommended for approval by the Board of Internal Economy (Meeting #5/16). This amount was ultimately approved by the Standing Committee on House Services.

**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 goods and services in the next fiscal year.

**6. Costs Borne by 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 leave entitlements. The carrying amount of these instruments approximates fair value due to their immediate or short-term maturity. These instruments have no significant interest rate or credit risk.

**8. Contractual Obligations**

On April 1, 2016 the Office signed a new lease covering the period April 1, 2016 to March 31, 2021. Annual commitments under the signed lease agreement for fiscal 2017-18 and subsequent years are \$234,470.

On March 7, 2017 the Office signed an agreement for the rental of art work covering the period March 15, 2017 to March 14, 2018. Annual commitments under the signed agreement for fiscal 2017-18 are \$1,397.

**9. 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 the costs are borne by other agencies (Note 6).



**OFFICE OF THE INFORMATION AND PRIVACY COMMISSIONER  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017**

**10. Change in Accounting Policy - Tangible Capital Assets**

During the year ended March 31, 2017 the Office changed its accounting policy related to capitalization thresholds for tangible capital assets as described in Note 2(b) to be more reflective of the Office's operations. The Office has applied this change retrospectively, which has the following impact on prior period comparative figures:

		<b>Increase (Decrease) Year Ended March 31, 2016</b>
<u>Statement of Financial Position</u>		
Tangible capital assets	\$	(42,119)
Accumulated surplus		(42,119)
<u>Statement of Operations and Accumulated Surplus</u>		
Administration and operating expenses	\$	27,943
Amortization		(17,088)
Loss on disposal of capital assets		(520)
Operating surplus		(10,335)
Accumulated surplus, beginning of year		(31,784)
Accumulated surplus, end of year		(42,119)
<u>Statement of Changes in Net Debt</u>		
Operating surplus	\$	(10,335)
Acquisition of tangible capital assets		(27,943)
Amortization of tangible capital assets		(17,088)
Loss on disposal of capital assets		(520)
<u>Statement of Cash Flows</u>		
Supplies and other expenses paid	\$	27,943
Purchase of tangible capital assets		(27,943)

**11. Tangible Capital Assets - Change in Accounting Estimate**

During the year ended March 31, 2017 the Office changed its accounting estimate for the useful life of computer software to 5 years (2016 - 3 years), furniture and equipment to 10 years (2016 - 5 years) and leasehold improvements to the lesser of remaining useful life or the current lease term (2016 - 5 years) to be more reflective of the Office's operations. The Office has applied this change prospectively. The increase to useful life of computer software reduces amortization expense for March 31, 2017 by \$211. The increase to useful life of furniture and equipment reduces amortization expense for March 31, 2017 by \$2,544. The increase to useful life of leasehold improvements reduces amortization expense for March 31, 2017 by \$4,210.