

**OFFICE OF THE ADVOCATE FOR CHILDREN AND YOUTH**

**FINANCIAL STATEMENTS**

**For the Year Ended March 31, 2022**



## **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 Advocate for Children and Youth, which comprise the statement of financial position as at March 31, 2022, 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 Advocate for Children and Youth as at March 31, 2022, 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 Advocate for Children and Youth 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 Advocate for Children and Youth'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 Advocate for Children and Youth 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 Advocate for Children and Youth'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 Advocate for Children and Youth'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 Advocate for Children and Youth'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 Advocate for Children and Youth 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 18, 2022

Tara Clemett, CPA, CA, CISA  
Provincial Auditor  
Office of the Provincial Auditor

**OFFICE OF THE ADVOCATE FOR CHILDREN AND YOUTH**  
**Statement of Financial Position**  
**As at March 31**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>Financial assets</b>		
Due from the General Revenue Fund	\$ 113,329	\$ 162,041
Accounts receivable	17,715	3,584
Total financial assets	<u>131,044</u>	<u>165,625</u>
<b>Liabilities</b>		
Accounts payable	85,211	114,278
Accrued employee costs	7,965	8,935
Accrued leave entitlements	37,868	42,412
Total liabilities	<u>131,044</u>	<u>165,625</u>
<b>Net debt (Statement 3)</b>	<u>-</u>	<u>-</u>
<b>Non - financial assets</b>		
Tangible capital assets (Note 3)	23,019	34,138
Prepaid expenses	2,098	74
Total non-financial assets	<u>25,117</u>	<u>34,212</u>
<b>Accumulated surplus (Statement 2)</b>	<u>\$ 25,117</u>	<u>\$ 34,212</u>
<b>Contractual obligations (Note 9)</b>		

(See accompanying notes to the financial statements)

**OFFICE OF THE ADVOCATE FOR CHILDREN AND YOUTH**  
**Statement of Operations and Accumulated Surplus**  
**For the Year Ended March 31**

	<u>2022</u> Budget (Note 4)	<u>2022</u> Actual	<u>2021</u> Actual
<b>Revenue</b>			
General Revenue Fund Appropriation	\$ 2,929,000	\$ 2,692,952	\$ 2,323,384
Miscellaneous Revenue (refund)	-	-	469
Total Revenue	<u>2,929,000</u>	<u>2,692,952</u>	<u>2,323,853</u>
<b>Expenses</b>			
Advertising, promotion, and events	38,460	129,547	79,784
Amortization (Note 3)	-	11,119	18,725
Bad debt expense	-	814	-
Communication	44,430	29,909	29,940
Dues and fees	10,300	12,868	36,228
Loss on disposal of capital assets	-	-	4,962
Miscellaneous services	125,970	160,187	138,778
Office space and equipment rental	277,400	263,932	258,030
Office supplies and expenses	14,830	28,714	23,483
Repairs and maintenance	24,900	44,782	64,841
Salaries and other employment expenses	2,290,600	1,979,571	1,666,958
Travel	102,110	40,604	21,310
Total Expenses	<u>2,929,000</u>	<u>2,702,047</u>	<u>2,343,039</u>
<b>Operating surplus (deficit)</b>	<u>\$ -</u>	(9,095)	(19,186)
Accumulated surplus, beginning of year		<u>34,212</u>	<u>53,398</u>
<b>Accumulated surplus, end of year (Statement 1)</b>		<u>\$ 25,117</u>	<u>\$ 34,212</u>

(See accompanying notes to the financial statements)

**OFFICE OF THE ADVOCATE FOR CHILDREN AND YOUTH**  
**Statement of Changes in Net Debt**  
**For the year ended March 31**

	<u>2021</u>	<u>2020</u>
<b>Operating Surplus/(Deficit)</b>	\$ (9,095)	\$ (19,186)
Acquisition of tangible capital assets (Note 3)	-	(5,608)
Amortization of tangible capital assets (Note 3)	11,119	18,725
Loss on disposal of capital assets		4,962
	<u>11,119</u>	<u>18,079</u>
Acquisition of prepaid expenses	(2,098)	(74)
Use of prepaid expenses	74	1,181
	<u>(2,024)</u>	<u>1,107</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>	\$ <u><u>-</u></u>

(See accompanying notes to the financial statements)

**OFFICE OF THE ADVOCATE FOR CHILDREN AND YOUTH**  
**Statement of Cash Flows**  
**For the Year Ended March 31**

<b>Cash flows from (used in) operating activities:</b>	<u>2022</u>	<u>2021</u>
General Revenue Fund appropriation received	\$ 2,727,533	\$ 2,305,862
Miscellaneous revenue received (refund)	-	469
Cash provided by operations	<u>2,727,533</u>	<u>2,306,331</u>
Salaries paid	(1,985,085)	(1,678,539)
Supplies and other expenses paid	(742,448)	(622,184)
Cash (used in) operations	<u>(2,727,533)</u>	<u>(2,300,723)</u>
Cash provided from operating activities	<u>-</u>	<u>5,608</u>
 <b>Cash flows used in capital activities:</b>		
Acquisition of tangible capital assets (Note 3)	<u>-</u>	<u>(5,608)</u>
Cash used in capital activities	<u>-</u>	<u>(5,608)</u>
<b>Increase (decrease) in cash</b>	-	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<u>\$ -</u>	<u>\$ -</u>

(See accompanying notes to the financial statements)

**OFFICE OF THE ADVOCATE FOR CHILDREN AND YOUTH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022**

**1. Authority and Description of Operations**

*The Advocate for Children and Youth Act* establishes the Office of the Advocate for Children and Youth (Office). The Advocate is an officer of the Legislative Assembly and is appointed by resolution of the Assembly. The mandate of the Office is to provide advocacy on behalf of children and youth receiving services from a provincial ministry, agency, or publicly-funded health entity; investigate any matter concerning or services provided to children and youth by any provincial ministry, agency, or publicly-funded health entity; undertake public education to raise awareness of the rights, interests and well-being of children and youth; and research and advise any Minister responsible on any matter relating to the rights, interests and well-being of children and youth.

The Office is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards. The 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.

**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 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:

Computer Hardware	\$2,500 / 5 years
Computer Software	\$2,500 / 5 years
Furniture and Equipment	\$2,500 / 5 years
Leasehold Improvements	\$2,500 / Lesser of remaining useful life or current lease term

(c) Accrued employee and leave entitlement costs

Accrued employee costs include the value of salary payable amounts, severance owed to staff, 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 obligation based on accumulated 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**

	2022					Total 2021
	Hardware & Software	Furniture	Leasehold Improvements	Work-in- Progress System Development	Total 2022	
Cost, April 1	\$ 98,088	\$ 14,278	\$ 389,957	\$ 10,335	\$ 512,658	\$ 534,796
Additions	-	-	-	-	-	5,608
Disposals	-	-	-	-	-	(27,746)
Cost, March 31	<u>98,088</u>	<u>14,278</u>	<u>389,957</u>	<u>10,335</u>	<u>512,658</u>	<u>512,658</u>
Accumulated amortization, April 1	76,108	12,455	389,957	-	478,520	482,579
Annual amortization	10,207	912	-	-	11,119	18,725
Adjustment for disposals	-	-	-	-	-	(22,784)
Accumulated amortization, March 31	<u>86,315</u>	<u>13,367</u>	<u>389,957</u>	<u>-</u>	<u>489,639</u>	<u>478,520</u>
Net Book Value, March 31	<u>\$ 11,773</u>	<u>\$ 911</u>	<u>\$ -</u>	<u>\$ 10,335</u>	<u>\$ 23,019</u>	<u>\$ 34,138</u>



**OFFICE OF THE ADVOCATE FOR CHILDREN AND YOUTH  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022**

**4. Budget**

These amounts reflected on an expense basis represent funds approved by the Legislative Assembly to enable the Advocate to carry out the Office's duties under *The Advocate for Children and Youth Act*.

The amount appropriated for the year was \$2,929,000.

**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 goods and services in the next fiscal year.

**6. Costs borne by and services provided 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, accrued employee costs, 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 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 employee's 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 of office space was extended to January 31, 2025. Annual lease payments under the signed lease agreement are \$218,739 before any economic adjustments.

The Office has entered into an agreement with a vendor to receive information technology services and rental of equipment on an annual basis until March 31, 2025. The total annual commitments are estimated to be \$58,296 plus any applicable taxes.

The Office has entered into an agreement with a vendor to receive design services for advertising and promotional items until March 31, 2023. The total annual commitments for 2022-23 will be up to, and no more than, \$20,000.

The Office has entered into an agreement with a vendor for consulting services until March 31, 2023. The total annual commitments for 2022-23 will be up to, and no more than, \$10,000.

**10. Impact of COVID-19 Pandemic**

The COVID-19 pandemic 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 pandemic. During the 2021-22 fiscal year, travel expenses were significantly reduced.