

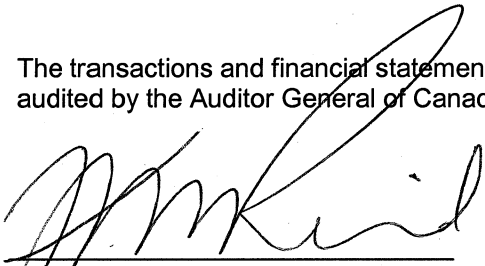
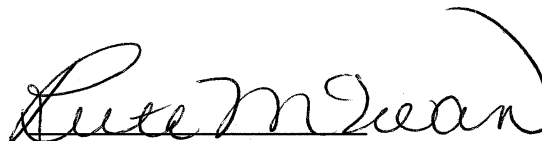
Office of the Information Commissioner of Canada
Management Responsibility for Financial Statements

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2005 and all information contained in this report rests with the management of the Office of the Information Commissioner of Canada.

These financial statements have been prepared by management in accordance with accounting standards issued by the Treasury Board of Canada Secretariat which are consistent with Canadian generally accepted accounting principles for the public sector. These statements should be read within the context of the significant accounting policies set out in Note 2 of the financial statements.

Management has developed and maintains books, records, internal controls and management practices, designed to provide reasonable assurance that the Office's assets are safeguarded and controlled, resources are managed economically and efficiently in the attainment of corporate objectives, and that transactions are in accordance with the *Financial Administration Act* and regulations and the *Access to Information Act*.

The transactions and financial statements of the Office of the Information Commissioner of Canada have been audited by the Auditor General of Canada.


The Honourable John M. Reid
Deputy Head
Ruth Leslie McEwan, C.G.A.
Senior Financial Officer

Ottawa, Canada
July 8, 2005



AUDITOR'S REPORT

To the Speaker of the House of Commons and the Speaker of the Senate

I have audited the statement of financial position of the Office of the Information Commissioner of Canada as at March 31, 2005 and the statements of operations, accumulated deficit and cash flow for the year then ended. These financial statements are the responsibility of the Office's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Office as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Further, in my opinion, the transactions of the Office that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Financial Administration Act* and regulations and the *Access to Information Act*.

Sheila Fraser, FCA
Auditor General of Canada

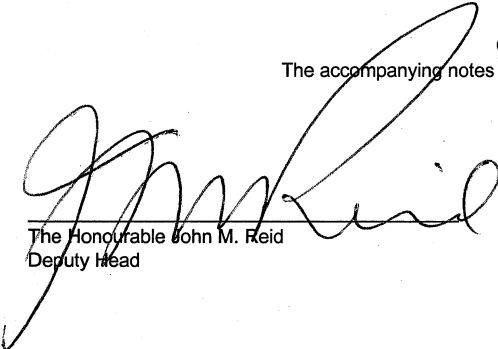
Ottawa, Canada
July 8, 2005


Office of the Information Commissioner of Canada
Statement of Financial Position
as at March 31

	<u>2005</u>	<u>2004</u>
ASSETS		
Financial assets		
Cash	\$ 813	\$ 800
Due from the Consolidated Revenue Fund	491,544	253,473
Prepaid expenses	5,935	8,250
Accounts receivable	<u>124,701</u>	<u>11,111</u>
Total financial assets	622,993	273,634
Capital assets (Note 4)	<u>505,176</u>	<u>752,741</u>
Total assets	<u>\$ 1,128,169</u>	<u>\$ 1,026,375</u>
LIABILITIES AND ACCUMULATED DEFICIT		
Current liabilities		
Accounts payable and accrued liabilities	\$ 208,914	\$ 26,963
Accrued employee salaries	350,351	235,317
Accrued employee vacation and leave benefits	171,127	222,999
Accrued employee severance benefits - current portion (Note 5)	<u>180,424</u>	<u>54,614</u>
Total current liabilities	910,816	539,893
Long-term liabilities		
Accrued employee severance benefits (Note 5)	<u>541,238</u>	<u>642,239</u>
Total liabilities	1,452,054	1,182,132
Accumulated deficit (Note 7)	<u>(323,885)</u>	<u>(155,757)</u>
Total liabilities and accumulated deficit	<u>\$ 1,128,169</u>	<u>\$ 1,026,375</u>

Commitments (Note 10)

The accompanying notes form an integral part of these financial statements


The Honourable John M. Reid
Deputy Head


Ruth Leslie McEwan, C.G.A.
Senior Financial Officer

Office of the Information Commissioner of Canada
Statement of Operations
for the year ended March 31

	<u>2005</u>	<u>2004</u>
Expenses (Note 8)		
Access to government information	\$ 5,033,982	\$ 5,244,661
Corporate services	<u>1,612,907</u>	<u>1,370,248</u>
	6,646,889	6,614,909
Revenues		
Miscellaneous revenues	<u>-</u>	<u>3,625</u>
Net cost of operations	<u>\$ 6,646,889</u>	<u>\$ 6,611,284</u>

The accompanying notes form an integral part of these financial statements

Office of the Information Commissioner of Canada
Statement of Accumulated Deficit
for the year ended March 31

	<u>2005</u>	<u>2004</u>
Equity (Accumulated deficit), beginning of the year	\$ (155,757)	\$ 93,624
Net cost of operations	(6,646,889)	(6,611,284)
Services provided without charge (Note 9)	881,698	1,033,664
Net cash provided by Government	5,358,992	5,297,773
Increase in Due from Consolidated Revenue Fund	<u>238,071</u>	<u>30,466</u>
Accumulated deficit, end of the year	<u>\$ (323,885)</u>	<u>\$ (155,757)</u>

The accompanying notes form an integral part of these financial statements

Office of the Information Commissioner of Canada
Statement of Cash Flow
for the year ended March 31

	<u>2005</u>	<u>2004</u>
Operating Activities		
Net cost of operations	\$ 6,646,889	\$ 6,611,284
Adjustments for items not affecting cash:		
Amortization of capital assets	(311,182)	(222,384)
Loss on disposal of assets	-	(3,643)
Services provided without charge (Note 9)	(881,698)	(1,033,664)
Changes in Statement of Financial Position:		
Increase (decrease) in selected financial assets	111,288	(75,402)
Increase in current liabilities	(370,923)	(4,271)
Decrease in long-term severance benefits	101,001	39,342
Cash applied to operating activities	<u>5,295,375</u>	<u>5,311,262</u>
Capital Transactions		
Capital asset transfer	-	(150,000)
Proceeds from capital asset disposal	-	(6,800)
Acquisition of capital assets	63,617	143,311
Cash used in (provided by) capital transactions	<u>63,617</u>	<u>(13,489)</u>
Net cash provided by government	<u><u>\$ 5,358,992</u></u>	<u><u>\$ 5,297,773</u></u>

The accompanying notes form an integral part of these financial statements

Office of the Information Commissioner of Canada

Notes to the Financial Statements

For the year ended March 31, 2005

1. Authority and objectives

The Office of the Information Commissioner of Canada, hereafter referred to as the Office, was created under the *Access to Information Act*, which came into force on July 1, 1983. The Commissioner is appointed by the Governor-in-Council following approval of his nomination by resolution of the Senate and the House of Commons. The Office of the Information Commissioner of Canada is designated, by Order-in-Council, as a department for purposes of the *Financial Administration Act*. As such, it is established under the authority of schedule I.1 of that Act and is funded through annual appropriations. The Commissioner is accountable for, and reports directly to Parliament on the results achieved.

The *Access to Information Act* is the legislative authority for the activities of the Information Commissioner and his Office. The objectives of the Office are:

- to deliver timely, thorough and fair investigations of complaints made by individuals denied information by the government;
- to encourage a culture of openness within the federal public service;
- to persuade federal government institutions to adopt information practices in keeping with the *Access to Information Act*;
- to bring appropriate issues of interpretation of the *Access to Information Act* before the Federal Court; and
- to ensure that Parliament is informed of the activities of the Commissioner's Office, the general state of health of the right of access and any matter dealt with in the access law requiring reform.

2. Significant accounting policies

a) Basis of presentation

The financial statements of the Office of the Information Commissioner of Canada have been prepared in accordance with accounting standards issued by the Treasury Board of Canada Secretariat which are consistent with Canadian generally accepted accounting principles for the public sector.

b) Parliamentary appropriations

The Office of the Information Commissioner of Canada is funded through annual parliamentary appropriations. Appropriations provided to the Office do not parallel financial reporting according to Canadian generally accepted accounting principles for the public sector. They are based, in large part, on cash flow requirements. Consequently, items recognised in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 to these financial statements provide information regarding the source and disposition of these authorities and provide a high-level reconciliation between the two bases of reporting.

Office of the Information Commissioner of Canada

Notes to the Financial Statements

For the year ended March 31, 2005

c) Due from the Consolidated Revenue Fund (CRF)

Cash transactions of the Office of the Information Commissioner of Canada are processed through the Consolidated Revenue Fund of the Government of Canada. All cash receipts of the Office are deposited to the CRF and all cash disbursements made by the Office are paid from the CRF. Due from the Consolidated Revenue Fund represents the amount of cash that the Office is entitled to draw from the Consolidated Revenue Fund, without further appropriations, in order to discharge its liabilities. Net cash provided by the government is the difference between all cash receipts and all cash disbursements including transactions involving departments and agencies.

d) Receivables

Receivables are stated at amounts expected to be ultimately realised. A provision is made for receivables where recovery is considered uncertain.

e) Capital assets

Assets and leasehold improvements providing multi-year benefits to the Office, with an acquisition value of \$2,500 or more, are recorded as capital assets at their historical cost. Similar items with a cost less than \$2,500 are included in the statement of operations. The capitalisation of software and leasehold improvements has been done on a prospective basis from April 1, 2001. Amortization of capital assets is done on a straight-line basis over the estimated useful life of the capital asset as follows:

Assets	Useful life
Telecommunications equipment	10 years
Informatics hardware	3 years
Computer software	3 years
Furniture and fixtures	10 years
Motor vehicles	10 years
Leasehold Improvements	Term of the lease

f) Employee salaries, vacation and benefits

Salaries and benefits are expensed as the salary or benefits accrue to employees under their respective terms of employment. The employee salaries liability is calculated using the employees' salary levels at year-end, and the number of days remaining unpaid at the end of the year. The liability for vacation leave is calculated at the salary levels in effect at the end of the year for all unused vacation leave benefits accruing to employees. Employee vacation leave liabilities payable on cessation of employment represent obligations of the Office of the Information Commissioner of Canada that are normally funded through future years' appropriations.

Office of the Information Commissioner of Canada

Notes to the Financial Statements

For the year ended March 31, 2005

g) Employee severance benefits

Employees of the Office of the Information Commissioner of Canada are entitled to severance benefits, as provided for under labour contracts and conditions of employment. The cost of these benefits is accrued as employees render the services necessary to earn them. The cost of the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

h) Services provided without charge by other government departments

Services provided without charge by other government departments are reported as operating expenses by the Office of the Information Commissioner of Canada at their estimated cost. A corresponding amount is reported directly in the Statement of Accumulated Deficit.

i) Contributions to pension plan

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Office of the Information Commissioner of Canada's contributions reflect the full cost as employer. This amount is currently based on a multiple of an employee's required contribution and may change over time depending on the experience of the Plan. The Office's contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the Office. The Office is not currently required to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

j) Employee benefit plan

The Government of Canada sponsors an employee benefit plan (Health and Dental) in which the Office of the Information Commissioner participates. As a participant, contributions by the Office are recorded at cost and are charged to expenses in the period incurred, and represent the total obligation of the Office to the plan. Under current legislation, the Office is not required to make contributions with respect to any future unfunded liabilities of the plan.

k) Measurement uncertainty

Preparing financial statements in accordance with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. Actual results could differ from those estimates. The most significant items where estimates are used are in determining the expected useful life of capital assets and in determining employee severance benefits.

Office of the Information Commissioner of Canada

Notes to the Financial Statements

For the year ended March 31, 2005

3. Parliamentary appropriations

a) Reconciliation of net cost of operations to parliamentary appropriations used:

	2005	2004
Net cost of operations	\$6,646,889	\$ 6,611,284
Items not requiring the use of appropriations		
Amortization of capital assets	(311,182)	(222,384)
Loss on disposal of assets	-	(3,643)
Services provided without charge by other government departments	(881,698)	(1,033,664)
Change in employee vacation and leave benefits	51,872	49,111
Change in employee severance benefits	(24,809)	22,842
Other	13,685	4,880
Sub-Total	5,494,757	5,428,426
Items affecting appropriations		
Acquisition of capital assets	63,617	143,311
Change in prepaid expenses	(2,315)	2,752
Miscellaneous revenues	-	3,625
Other	-	39,392
Transfer of capital assets	-	(150,000)
Total appropriations used	\$5,556,059	\$5,467,506

b) Reconciliation of parliamentary appropriations voted to parliamentary appropriations used:

	2005	2004
Parliamentary appropriations voted:		
Operating expenditures	\$5,097,616	\$5,037,670
Statutory contributions to employee benefit plans	669,118	660,973
Proceeds from capital asset disposal	6,800	13,625
	5,773,534	5,712,268
Less: Lapsed appropriations	(217,475)	(87,962)
Transfer of capital assets	-	(150,000)
Surplus proceeds available for subsequent years	-	(6,800)
Total parliamentary appropriation used	\$5,556,059	\$5,467,506

Office of the Information Commissioner of Canada

Notes to the Financial Statements

For the year ended March 31, 2005

4. Capital assets

COST	March 31, 2004	Acquisitions	Disposals	March 31, 2005
Telecommunications equipment	\$ 259,080	\$ -	\$ -	\$ 259,080
Informatics hardware	100,113	38,640	-	138,753
Computer software	545,656	-	-	545,656
Furniture and fixtures	209,960	24,977	-	234,937
Motor vehicles	23,926	-	-	23,926
Leasehold improvements	285,949	-	-	285,949
	\$1,424,684	\$ 63,617	\$ -	\$1,488,301

ACCUMULATED AMORTIZATION	March 31, 2004	Amortization	Disposals	March 31, 2005
Telecommunications equipment	\$ 87,107	\$ 25,909	\$ -	\$ 113,016
Informatics hardware	67,933	29,344	-	97,277
Computer software	212,670	180,550	-	393,220
Furniture and fixtures	80,881	20,996	-	101,877
Motor vehicles	2,393	2,393	-	4,786
Leasehold improvements	220,959	51,990	-	272,949
	\$671,943	\$311,182	\$ -	\$983,125
Net Book Value	\$752,741			\$505,176

5. Accrued employee severance benefits

The Office of the Information Commissioner of Canada provides severance benefits to its employees based on years of service and final salary. The benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. Benefits will be paid from future appropriations. Information about the plan, measured as at the balance sheet date, is as follows:

	2005	2004
Obligation, beginning of the year	\$696,853	\$719,695
Expense for the year	75,005	15,272
Benefits paid during the year	(50,196)	(38,114)
Obligation, end of the year	\$721,662	\$696,853
Current portion	\$ 180,424	\$ 54,614
Long-term portion	541,238	642,239
Obligation, end of the year	\$721,662	\$696,853

Office of the Information Commissioner of Canada

Notes to the Financial Statements

For the year ended March 31, 2005

6. Pension benefits

The Office of the Information Commissioner of Canada and all eligible employees contribute to the Public Service Pension Plan. This pension plan provides benefits based on years of service and average earnings at retirement. The benefits are fully indexed to the increase in the Consumer Price Index. The Office's and employees' contributions to the Public Service Pension Plan for the year were as follows:

	2005	2004
Office's contributions	\$490,463	\$493,870
Employees' contributions	188,398	180,528

7. Accumulated deficit

The accumulated deficit represents liabilities incurred by the Office, net of capital assets, that have not yet been funded through appropriations. Significant components of this amount are employee severance benefits and vacation pay liabilities. These amounts are expected to be funded by appropriations in future years as they are paid.

8. Summary of expenses by major classification

	2005	2004
Salaries and employee benefits	\$4,864,163	\$4,708,460
Professional and special services	640,446	649,207
Accommodation	417,174	596,000
Amortization	311,182	222,384
Transportation and communications	149,090	159,963
Repairs and maintenance	59,924	49,342
Machinery and equipment	57,584	66,624
Information technology	53,682	56,211
Utilities, materials and supplies	51,883	65,733
Rentals	24,952	31,156
Other	16,809	6,186
Loss on sale of assets	-	3,643
Total	\$6,646,889	\$6,614,909

Office of the Information Commissioner of Canada

Notes to the Financial Statements

For the year ended March 31, 2005

9. Services provided without charge

During the year, the Office received various services provided without charge by other government departments estimated at \$881,698. These services included:

Description	2005	2004
Public Works and Government Services Canada – accommodation	\$417,174	\$ 596,000
Treasury Board Secretariat – employer's share of insurance premiums	312,607	253,000
Office of the Auditor General of Canada – audit services	150,000	150,000
Public Works and Government Services Canada – payroll services	1,917	2,000
Treasury Board Secretariat – absorption of employee benefit plan costs	-	32,664
Total services provided without charge	\$881,698	\$1,033,664

10. Commitments

The Office of the Information Commissioner of Canada has commitments arising in the normal course of operations. Minimum annual payments under these agreements are as follows:

Fiscal Year	Total
2005-2006	\$17,852
2006-2007	14,688
2007-2008	14,688
2008-2009	14,688
2009-2010	9,098
	\$71,014

11. Related party transactions

The Office of the Information Commissioner of Canada is related, in terms of common ownership, to all Government of Canada departments, agencies and Crown corporations. The Office enters into transactions with these entities in the normal course of business. During the year, the Office expensed \$1,793,119 in the normal course of business with other government departments, agencies and Crown corporations. These expenses include services provided without charge of \$881,698 as described in Note 9.

12. Comparative figures

Certain comparative figures have been reclassified to conform to the presentation adopted in 2005.