

Fwd: Confidential update - latest and greatest

From: "Orencsak, Greg (TBS)" <greg.orencsak@ontario.ca>
To: "Jancik, Mike (TBS)" <mike.jancik@ontario.ca>
Cc: "MacIntyre, Kyle (TBS)" <kyle.macintyre@ontario.ca>
Date: Wed, 28 Sep 2016 18:34:56 -0400
Attachments: image001.png (18.49 kB)

You or the Minister mentioned talking to Ross Peebles last night. Do you want to do that on your end or through staff at ours (with EDU)?

G

Begin forwarded message:

From: "Davidson, Steven (CAB)" <Steven.Davidson@ontario.ca>
Date: September 28, 2016 at 4:23:29 PM EDT
To: "Orencsak, Greg (TBS)" <Greg.Orencsak@ontario.ca>, "Orsini, Steve (CAB)" <Steve.Orsini@ontario.ca>, "Thompson, Scott (MOF)" <Scott.Thompson@ontario.ca>, "Jancik, Mike (TBS)" <Mike.Jancik@ontario.ca>, "Ghiassi, Ali (MOF)" <Ali.Ghiassi@ontario.ca>, "Veinot, Cindy (TBS)" <Cindy.Veinot@ontario.ca>, "Petsche, Nadine (TBS)" <Nadine.Petsche@ontario.ca>, "Bevan, Andrew (OPO)" <Andrew.Bevan@ontario.ca>, "Bromm, William (CAB)" <William.Bromm2@ontario.ca>, "MacIntyre, Kyle (TBS)" <Kyle.MacIntyre@ontario.ca>, "Betzner, Lynn (CAB)" <Lynn.Betzner@ontario.ca>, "Angus, Helen (MIT)" <Helen.Angus@ontario.ca>, "Hughes, Karen (TBS)" <Karen.Hughes@ontario.ca>, "Foster, Robert (CAB)" <Robert.Foster@ontario.ca>, "Kwamena, Boafoa (CAB)" <Boafoa.Kwamena@ontario.ca>
Subject: RE: Confidential update - latest and greatest

Thanks Greg. This is encouraging.

In post-Cab conversation with Minister Sandals and SoC this afternoon, your Minister emphasized importance of reaching out to OTF prior to the reg becoming public so they're not surprised (and potentially alarmed or confused by references to jointly sponsored plans and zero future benefit).

So you'll want to coordinate that with timing for filing of the reg.

Steven.

Steven Davidson

Deputy Minister and

Associate Secretary of the Cabinet,

Policy and Delivery

The Cabinet Office
99 Wellesley Street West
Room 6420, Whitney Block
Toronto ON M7A 1A1
Tel 416 325 3759
Fax 416 325 7631

From: Orenacsak, Greg (TBS)
Sent: September-28-16 3:59 PM
To: Orsini, Steve (CAB); Thompson, Scott (MOF); Jancik, Mike (TBS); Ghiassi, Ali (MOF); Veinot, Cindy (TBS); Petsche, Nadine (TBS); Bevan, Andrew (OPO); Bromm, William (CAB); MacIntyre, Kyle (TBS); Davidson, Steven (CAB); Betzner, Lynn (CAB); Angus, Helen (MIT); Hughes, Karen (TBS)
Subject: Re: Confidential update - latest and greatest

Scott and I just got off the phone with the AG.

She is satisfied with our changes to the management rep letter (Cindy, you get to take the sentence out that you wanted) and she accepts the wording of our regulation. She fully understands that the regulation is for one year.

We have committed to sharing with her the updated annual report and financial statements by tomorrow for comment, and plan to obtain an audit opinion on Friday if all goes well.

She asked about planned communications for the release of the Public Accounts. We told her that our expectation is that the government would issue a news release summarizing the results as in previous years.

Thanks team for all the work. I would like to have her audit opinion before we breathe a sigh of relief though.

We will file the regulation tomorrow.

Greg

From: "Orenacsak, Greg (TBS)" <greg.orencsak@ontario.ca>

Date: Tuesday, September 27, 2016 at 10:03 PM

To: Steve Orsini <Steve.Orsini@ontario.ca>, Scott Thompson <Scott.Thompson@ontario.ca>, "Jancik, Mike (TBS)" <Mike.Jancik@ontario.ca>, "Ghiassi, Ali (MOF)" <Ali.Ghiassi@ontario.ca>, "Veinot, Cindy (TBS)" <Cindy.Veinot@ontario.ca>, "Petsche, Nadine (TBS)" <Nadine.Petsche@ontario.ca>, "Bevan, Andrew (OPO)" <Andrew.Bevan@ontario.ca>, "Bromm, William (CAB)" <William.Bromm2@ontario.ca>, "MacIntyre, Kyle (TBS)" <Kyle.MacIntyre@ontario.ca>, Steven Davidson <Steven.Davidson@ontario.ca>, Lynn Betzner <Lynn.Betzner@ontario.ca>, "Angus, Helen (MIT)" <Helen.Angus@ontario.ca>, Karen Hughes <Karen.Hughes@ontario.ca>

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One more thing: she said if asked about the delay in tabling Public Accounts, she would say something along the lines of that it's government's responsibility to prepare financial statements, and if the government believes it needs additional time to work through a complex issue she thinks that's appropriate.

From: "Orencsak, Greg (TBS)" <greg.orencsak@ontario.ca>

Date: Tuesday, September 27, 2016 at 10:00 PM

To: Steve Orsini <Steve.Orsini@ontario.ca>, Scott Thompson <Scott.Thompson@ontario.ca>, "Jancik, Mike (TBS)" <Mike.Jancik@ontario.ca>, "Ghiassi, Ali (MOF)" <Ali.Ghiassi@ontario.ca>, "Veinot, Cindy (TBS)" <Cindy.Veinot@ontario.ca>, "Petsche, Nadine (TBS)" <Nadine.Petsche@ontario.ca>, "Bevan, Andrew (OPO)" <Andrew.Bevan@ontario.ca>, "Bromm, William (CAB)" <William.Bromm2@ontario.ca>, "MacIntyre, Kyle (TBS)" <Kyle.MacIntyre@ontario.ca>, Steven Davidson <Steven.Davidson@ontario.ca>, Lynn Betzner <Lynn.Betzner@ontario.ca>, "Angus, Helen (MIT)" <Helen.Angus@ontario.ca>, Karen Hughes <Karen.Hughes@ontario.ca>

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The AG called tonight.

The ground has shifted, again (but read on 'cause not all is lost). She said she had a 3-hour session with her staff to deliberate on her previous suggestion that we briefed you on coming out of our 5-hour marathon. On reflection, she is no longer prepared to proceed on that basis.

However, there are two other alternatives she suggested.

1. Government takes as long as it needs to consider and substantiate its position on the accounting treatment. She would then consider any new evidence that we can present to her and she would then issue an opinion. The AG does not want any part in the process the government undertakes to gather evidence, she just wants to be presented with a final position paper (or something like that) to opine on.

This could take months, especially if we seek a full "nuts to bolts" valuation opinion. It would mean a potentially long delay in tabling Public Accounts, with no certainty that she would change her mind, so a qualification is hardly out of the question.

2. She is now prepared to live with some sort of legislated accounting treatment. She can now live with this because it would present the same financial results that she believes are appropriate. She would be asking for some specific representation that we are following PSAB with an adjustment. She wasn't entirely clear on this point, so I asked her to send us exactly what she would want management's representation to be. In this instance, she would issue an unqualified opinion, with an emphasis of matter paragraph in her opinion about the use of legislated accounting. I also asked her whether she'd be willing to share this with us.

This alternative is a huge about-face from where she was just a few hours ago in terms of reluctance to even consider this, and could have us finalize the audit and table quite quickly. We still need a better understanding of what the representation would be to make sure that it's workable.

I told her that we would confer about this, including informing ministers, and that we would connect with her tomorrow.

We should find time to talk at fiscal prep.

Greg

Greg Orencsak

Deputy Minister, Treasury Board

Secretary of Treasury Board and Management Board of Cabinet

416.325.1607 | greg.orencsak@ontario.ca

Treasury Board Secretariat

Title: TBS logo



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