Speaking Notes

Office of the Provincial Controller Division
Accounting Policy and Financial Reporting Branch

Legislated accounting for the OTPP and OPSEUPP related pension assets

Introductory remarks:

We are contacting you regarding an important matter related to the upcoming release of the 2015-16 Public Accounts. Specifically, we wanted to make you aware of a pension-related accounting change that will be disclosed in the Public Accounts which will be released in the next few days.

Details:

- The Province prepares its Public Accounts based on public sector accounting standards established by PSAB.
- For the past 15 years, since the existing pension accounting standard was introduced, the province has been reporting pension assets on our books in accordance with our interpretation of PSAB standards for its share of the jointly sponsored pension plans – OTPP and OPSEUPP
- We have received clean audit opinions on all of our Public Accounts for the past 15 years.
- We recently learned that the current Auditor General has a different interpretation than ours which would result in the elimination of reported pension assets from the Province's books for the fiscal 2015-16 Public Accounts.
- For the purposes of the 2015-16 Public Accounts, the government legislated the accounting for pension assets of jointly sponsored pension plans. The result of the legislation reflects the Auditor General's position until further review and discussion with the Auditor General can be completed over the coming months.
- From the public's perspective, it is very important that this change in accounting treatment is not seen as any reflection on the funding status of the plans, or the quality of financial reporting by the Province.
- We will continue to work with the Auditor General in an attempt to resolve our differences in opinion in the application of PSAB standards over the coming months.