AG's statement + media present

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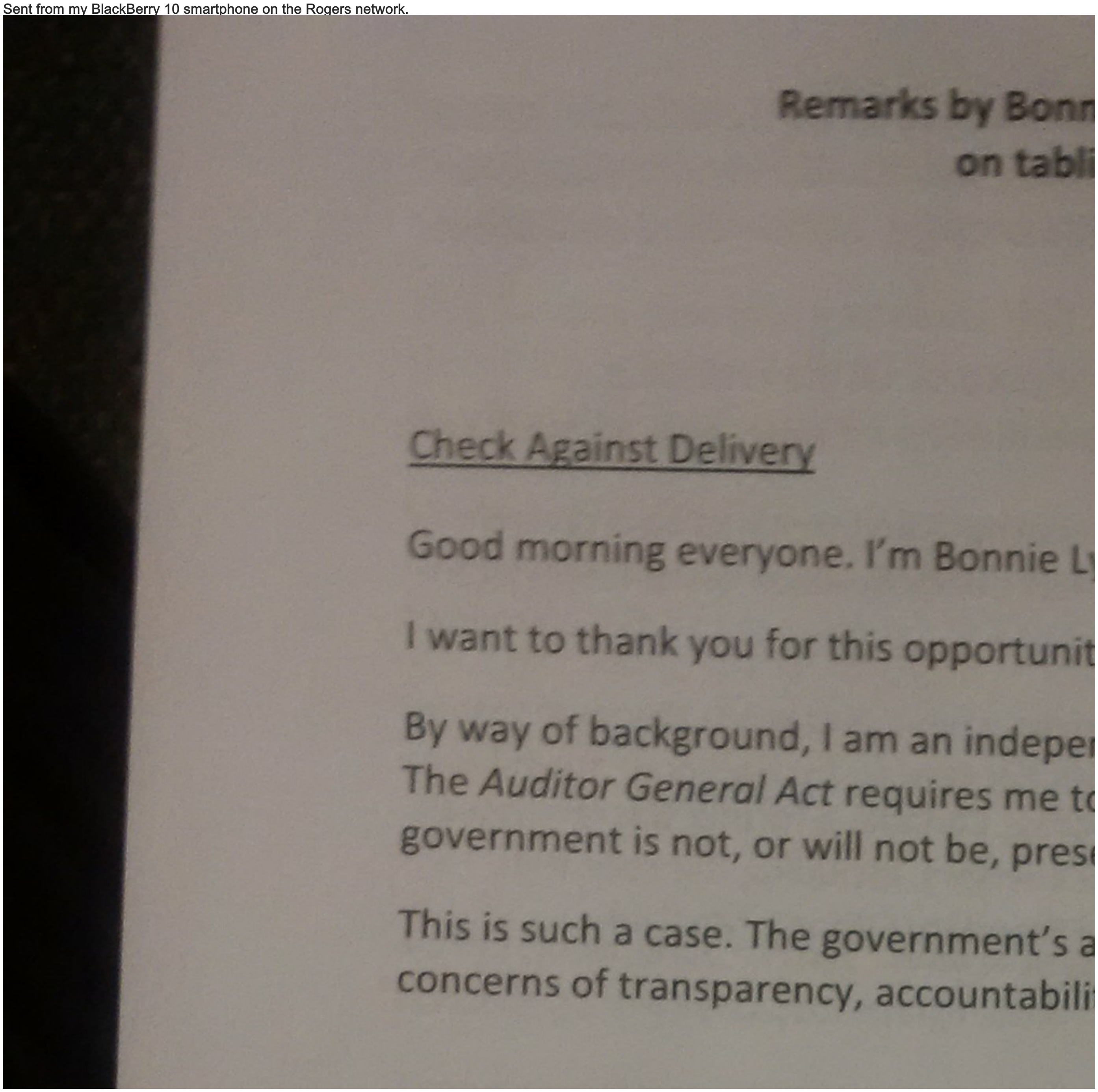
Good afternoon,
Please find attached the Auditor General's statement that she is reading in the media studio right now.

Media present: 17 total reporters
Benzie, Lamoureux, Carter, Hains (QP Briefing), Smith Cross (QPB), Giovanetti, Crawley, Moore (Newstalk), Smith (QP Today), Artuso, Wu (Fairchild), Morissette (TFO)

5 television camera operators (including Tumelty - CityTV); other from CBC, Global, Fairchild

Jonathan

Sent from my BlackBerry 10 smartphone on the Rogers network.



Remarks by Bonn
on tabli

Check Against Delivery

Good morning everyone. I'm Bonnie L

I want to thank you for this opportunit

By way of background, I am an indepe
The *Auditor General Act* requires me t
government is not, or will not be, pres

This is such a case. The government's a
concerns of transparency, accountabili

.....

Let me be clear—I am not speaking abo
relief from high electricity bills.

That's a policy decision, well within the
the Auditor General comments.

What I AM speaking about is the WAY t
this decision.

There's still time to fix it, and we're enc
coming out with a Special Report. It rec
impact of its electricity rate reduction p
statements, and use the least costly fina

....

Allow me to cut to the chase. The gover
financial impacts of its electricity rate re

In order to do this, the government is pr
policy for preparing financial statements
Public Sector Accounting Standards.

I want to stress that this is not, as some r
accountants on some obscure rule of boo

This is far more serious.

Under the leadership of the Publi
Accounting Standards were devel
reported transparently, and in a v
and to previous years.

The province has brushed aside tl
provincial governments of Canada

The Ontario government has cho:
asset in new legislation to avoid r
statements.

This is a significant issue.

We sought extensive advice from
and British Columbia Auditor Gen
retired Director of the Canadian P
Beauchamp, who is here today.

The accounting proposed by the g

That's a really strong statement. S

Ontario power producers are guar
discount on their hydro bills, som
the piper ... right now.

That "someone" is the province. S
or fees), or borrow to cover the sh

When a government borrows to c
mean to you? It means the govern
has incurred a loss.

In other words, it's spending more
accounting, you will not see that a

The government's proposal is to tr
card debt as an asset in your own l

In proper accounting, borrowing m
higher deficits. This is Government

Instead, the government has created an ela

financing structure. This structure is to be u
decision, and avoid recording losses and an

This decision was made knowing that it cou
than if the government had borrowed mon
borrowed through entities it owns at highe

In May 2017, the Financial Accountability O
ratepayers about 4 billion dollars in additio
expense.

Internal records show that senior governm
could result in Ontarians paying significantl

....

So the question is, "Why?" Why plan to pay
achieving a desired accounting result.

That desired accounting result is to:

(1) keep the cost of the policy decision out

(2) keep the impact of borrowing from sho

In other words, to obscure the financial im
and financial statements, the government

....

There are other things that our Office foun

There are other things that our Office fou

In analyzing how the government came up
internal government emails.

They showed us how the government enlis
hiring outside advisers to design this comp

The emails we examined made clear that t
that there should be no impact on the fisca

In other words, they had to come up with s
promise to present balanced budgets for 2

....

As I wrap up, let me say this: The pub
value for money from its governmen
recommendations from our report:

(1) record the true financial impact o

province's budgets and consolidated

(2) use a financing structure to fund t

There's still time to do the right thing

Now, I'd be pleased to take your ques