

Remarks by Bonnie Lysyk, Auditor General of Ontario,
on tabling of the Special Report on
the Fair Hydro Plan
October 17, 2017

Check Against Delivery

Good morning everyone. I'm Bonnie Lysyk, the Auditor General of Ontario.

I want to thank you for this opportunity to discuss our Special Report on the Fair Hydro Plan.

By way of background, I am an independent, non-partisan Officer of the Legislative Assembly. The *Auditor General Act* requires me to speak out when financial information of the government is not, or will not be, presented fairly to the Legislature or to Ontarians.

This is such a case. The government's accounting treatment for the Fair Hydro Plan creates concerns of transparency, accountability and value for money.

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Let me be clear—I am not speaking about the decision to provide ratepayers with temporary relief from high electricity bills.

That's a policy decision, well within the government's authority, and not something on which the Auditor General comments.

What I AM speaking about is the WAY the government has set up the accounting to implement this decision.

There's still time to fix it, and we're encouraging the government to do so. That's why we're coming out with a Special Report. It recommends the government record the true financial impact of its electricity rate reduction plan in the province's budgets and consolidated financial statements, and use the least costly financing structure to fund the rate reduction.

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Allow me to cut to the chase. The government's structure will hide from Ontarians the real financial impacts of its electricity rate reduction.

In order to do this, the government is proposing to use accounting that does not follow its own policy for preparing financial statements. The province has had a policy of applying Canadian Public Sector Accounting Standards.

I want to stress that this is not, as some may suggest, a difference of opinion between accountants on some obscure rule of bookkeeping.

This is far more serious.