Briefing Note

Office of the Provincial Controller

Pension Asset Expert Advisory Panel Status Update

Issue:

Provide an update on the status of the Pension Asset Expert Advisory Panel (the 'Panel'), as it works to provide advice and recommendations to the government on the application of public sector accounting standards to Ontario's net pension assets.

Current Status:

The Panel held its second full-day meeting on Monday December 5. The following is an update on the status:

- The report writer, a PWC partner familiar with the issue, joined the meeting, as the Panel confirmed the outline and questions to be answered in the report.

- The Panel discussed the four bullet points outlined in the terms of reference in detail and provided their inputs to be included in the report.

- OPCD provided the Panel a briefing on the OPSEU, HOOPP, and CAAT pension plans accounting position paper.

- Due to the activities needed to meet the reporting deadline, the updated estimated delivery of the final report is expected mid-January 2017, with anticipated public release at end of January (after translation and accessibility requirements are met). A briefing will be scheduled for the week of January 9th to brief the Associate Deputy Minister and Deputy Ministers of TBS and MOF.

Commented [CV1]: I think we spoke about MO office as well

- The Panel will be meeting on Monday, December 12 and Tuesday, December 13 to further develop the content of the report and discuss the OPSEU pension plan in more detail. The HOOPP and CAAT pension plans will be discussed as a supplement to the final report.

- One panel member will review the actuarial work prepared by the previously retained outside consultant.

- The Panel will be meeting with the Auditor General on Friday, December 16 at 1:30pm at her office. Any insights from the meeting will be incorporated in the draft report.

Background:

In connection with the preparation and audit of the 2015-16 Public Accounts, the Office of the Auditor General and the government's professional accounting staff disagreed regarding the application of Public Sector Accounting Standards (PSAS) to pension assets related to two pension plans that the Province jointly sponsors – Ontario Teachers' Pension Plan (OTPP) and Ontario Public Service Employees' Union Pension Plan (OPSEUPP).

An expert panel was established as a short-term advisory body to review the application of the Public Sector Accounting Standards (PSAS) to accounting for pension assets and provide advice to government. The final report will be submitted to the President of the Treasury Board and provided to the Auditor General of Ontario. The future accounting for the pension assets in preparation of the province's financial statements will be guided by the report of the panel

Next Steps:

The Office of the Provincial Controller will continue to provide status updates on the Panel, as it works to provide a report to the President of the Treasury Board by the end of 2016.

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