

The Honourable J. David Wake
Financial Accountability Officer
Financial Accountability Office of Ontario

2 Bloor Street West, Suite 900
Toronto, Ontario
M4W 3E2

Dear Mr. Wake,

Thank you for your continued independent analysis of the state of the province's finances on behalf of the public and members of the Legislative Assembly. In particular, thank you for your assessments of the province's medium-term macroeconomic performance and fiscal position including estimates of the major components of revenues and expenses, most recently through Economic & Fiscal Update released on December 11, 2017. We are committed to the principles of openness and transparency, and appreciate that Ontario is the first Canadian province to have established a role such as yours.

As noted in your 2016-17 Annual Report, financial scrutiny is a challenging and multi-faceted task. We strongly believe that the government has a duty to the people of Ontario to develop a responsible fiscal plan based on prudent economic and financial projections and ensure the public has access to regular updates that reflect the latest economic and financial developments.

Commented [BAC1]: Intentional, though indirect, comparison of the content of the Economic & Fiscal Outlook and the Pre-Election Report.

To this end, and to ensure that Ontarians are afforded an independent, impartial assessment of the government's finances in advance of the 2018 Ontario Election produced by an Officer of the Legislature whose mandate best aligns with such a task...

Variation 1: Request an updated report.

[nil] OR [and recognizing that decisions on the timing of the 2018 Budget are still to be determined] OR [and with the knowledge that the 2018 Budget may be released as late as May 2018] we are requesting that you consider updating the Economic & Fiscal Outlook to reflect new economic and financial information as it becomes available [nil] OR [by March 31, 2018] OR [by May 8, 2018] .

- *Acknowledging that Budget timing is to be determined, or that a Budget may be released shortly before a writ is issued, may be interpreted as an intention to do so.*
- *Stipulating a deadline reduces the Officer's flexibility in undertaking the work and may increase the risk that the request is refused if made by members of the Assembly.*
- *A March 31 deadline would facilitate an update with additional data (e.g., equalization, 3rd Quarter Ontario Economic Accounts, 3rd Quarter Finances).*
- *An end-of-mandate deadline would facilitate an update with additional data (e.g., 4th Quarter Ontario Economic Accounts), but may lead to questions on Budget timing.*

Variation 2: Request a new report.

[nil] OR [and recognizing that decisions on the timing of the 2018 Budget are still to be determined] OR [with the assurance that the government will release a 2018 Budget at least 30 days prior to a writ of election being issued] we are requesting that you release the next Economic & Fiscal Outlook [within 30 days following the release of the 2018 Budget] OR [by May 8, 2018] .

- *Absence of a commitment to a reasonable (e.g., a 30-day) review period may increase the risk that the report is published during the writ period.*
- *Committing to a review period would constrain the government's flexibility on timing of the 2018 Budget but may reduce the risk the request is refused.*
- *Seeking assurance of a timely Spring 2018 Economic & Fiscal Outlook or released prior to a writ being issued may lead to demands to clarify Budget timing.*

In the context of this request, we would ask that your staff engage the Office of the Auditor General, as appropriate, to

Commented [BAC2]: In addition to the variations described here, the request could stay silent on the Auditor General.

Variation 1: Acknowledge the Auditor General.

... ensure that your fiscal forecasts accurately reflect the Auditor General of Ontario's recommended accounting treatments for both Fair Hydro Plan and the net pension assets of jointly-sponsored pension plans, should you choose to continue to include them in your report.

- *Linkage acknowledges the link between the Auditor General's work and the content of the Economic & Fiscal Outlooks, but may be seen as prescriptive.*

Variation 1: Suggest collaboration with the Auditor General.

... work collaboratively on the analysis underlying, and development of, the report.

- *It is not clear to what extent the Office of the Auditor General has been engaged in developing past Economic & Fiscal Outlooks.*
- *Subject to constraints information sharing, this may provide the Financial Accountability Office with enhanced access to information (i.e., via the Auditor).*

We are submitting this request for your consideration consistent with the provisions of the *Financial Accountability Officer Act, 2013*, that stipulate the mandate of the Financial Accountability Officer is to respond to requests from members of the Assembly and committees of the Assembly to undertake research into the Province's finances and trends in the provincial and national economies.

We recognize that your ability to provide independent economic and financial analysis depends on access to information held by the Ontario government. Should you agree to take up this request, we would ask that you continue to work with the Ontario Public Service to request information as required to complete your work, consistent with the *Financial Accountability Officer Act, 2013* and applicable legislative instruments.

Thank you again for your independent analysis on the province's finances, trends in the provincial economy and matters important to the Legislative Assembly of Ontario. We trust you agree that the foregoing request aligns closely with your mandate and thank you in advance for your consideration.

Sincerely,

Commented [BAC3]: The Financial Accountability Office has not historically made formal information requests to support the development of its Economic & Fiscal Outlooks.

It is not clear but conceivable that the request may precipitate additional information requests or create pressure to enhance disclosure for the purposes of conducting the requested analysis.