

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:

On November 10, 2016, the Province announced the appointment of four members to the Panel, including:

- Patricia O'Malley (Chair) – Chair of the Canadian Actuarial Standards Oversight Council, member of the Canadian Accounting Standards Oversight Council, Chair of the Canadian Accounting Standards Board and Chaired the International Forum of Accounting Standard Setters;
- Paul Martin – Comptroller with the Government of New Brunswick and previously a partner with the national accounting firm of Grant Thornton LLP;
- Uros Karadzic – Partner at EY's People Advisory Services Reward practice, which includes pension, benefit and compensation consulting; and
- Murray Gold – Leading practitioner and senior pension and benefits partner at Koskie Minsky LLP.

The Office of the Provincial Controller Division (OPCD) met with the Chair on November 8 for a preliminary discussion, including expectations, roles, responsibilities, and logistics.

There are four all-day meetings with Panel members scheduled for November 18, December 5, December 12, and December 13. The first meeting's agenda includes briefing Panel members on key items, including:

- OPCD position paper;
- Deloitte opinion on the appropriate application of certain aspects of Canadian public sector accounting standards to the recognition of the accrued benefit asset related to OTPP;
- Ministry of Education overview of the Ontario Teachers' Pension Plan; and
- Communications media protocol.

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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