Financial Statement Summary & Latest Tweets

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Date: Mon, 03 Oct 2016 15:58:37 -0400

Attachments: TWITTER COVERAGE OF PUBLIC ACCOUNTS October 3.docx (347.12 kB)

Good afternoon,
Here is the IMMR summary of the Financial Statement technical briefing and follow-up news conference.
Please note this is **NOT** a transcript.
Attached are the latest Tweets including Adrian Morrow of the Globe & Mail tweeting the Auditor General's response to the unaudited financial statements.
IMMR continues to monitor and will send out a clippings package shortly, along with the CAB transcript when it comes in.
Regards,
Ann

Technical Briefing & IMMR Summary
2015-16 Annual Report

Deputy Orencsak – TBS
Deputy Thompson – MOF

Media: Robert Benzie – Toronto Star, Allison Jones – Canadian Press, Julie-Anne Lemieux – CBC/Radio Canada, Geoff Zochodne –QP Briefing, Jamie Tumelty – CityNews, Adrian Morrow – Globe & Mail, CHCH-Camera, Shawn Jeffords – Toronto Star, Sioban Morris – Newstalk 1010, John McGrath – TVO, Ethan – Reuters, Dave Marshall – Metroland Media.
Lisa MacLeod –PC MPP, Vic Fedeli – PC Finance Critic

Deputy Orencsak walked reporters through the technical briefing with a slide deck.
Highlights :

- Auditor General has said she cannot provide her audit opinion on these financial statements, however the government has decided to release the information to support transparency and accountability.

- $5-billion dollar deficit last year, $3.5 billion below planned deficit in budget.
- OPSEU Pension Plan and the Ontario Teachers' Pension Plan are jointly sponsored pension plans where the government co-sponsors.
- Plans are funded on a 50/50 basis, co-managed by the sponsors.
- The auditor general raised some concerns with regards to Ontario's accounting practises but the government has received clean audit opinions for the last 14 years and that the pension assets reflected on the Public Sector Accounting Board (PSAB) standards.
- Auditor General expressed a different interpretation of the PSAB standards would impact the reporting of pension assets of jointly sponsored plans. The AG received a revised audit planning report at the end of June, but didn't express her concern in writing until September 13th.
- September 27th, the government advised the House public accounts would be delayed and to move forward and finalize, Cabinet has approved a time limited regulation which legislates accounting for pension assets for 2015-16.
- Total debt remains unchanged by pension adjustment.

Media Conference – Minister Sandals and Minister Sousa
Highlights from Media Q/A:

- Confirming Ontario's unaudited deficit is $3.5-billion lower than projected in the budget.
- This marks the 7th year in a row that Ontario has beaten its deficit target and the government remains committed to reaching balance in 2917-18
- Treasury Board staff worked with the auditor general staff and earlier today both ministers met with AG.
- Unfortunately the AG has not provided an opinion and this is why the government is releasing, to ensure openness and transparency.
- The government believes it's in the public interest since we are 6 days past the legislated deadline.
- Staff and AG could not reach an agreement in relation to pension accounting while Ontario followed the same accounting treatment as in past years.
- Public Sector Accounting Board is working with governments across the country, Ontario will also be engaging with experts to
- Important to note, the OPSEU pension plan and the Ontario Teachers' Pension Plan are both healthy and well-funded.

Jones –C: Can you still get to balance?
Minister Sousa: We are on track to balance, our balance is not affected. In fact our budget is reduced now at $5-billion in keeping with new provisions you've provided.
It was simply a matter of not weighing in on the accounting, we'll ask experts to do that in the coming months. It was a way to get you the books so that you could see what is going on and the regulation is

Benzie – Toronto Star: Auditor General is disappointed that you've chosen to have this release. Are you playing politics?
Minister Sandals: This is really and truly not about politics. This is about according to September 27th was 180 days after the fiscal end of the year. Technically this is not the public accounts, but it makes the same financial information available to the public had we tabled public accounts.

Morrow – Globe &Mail: It must be annoying after you've worked so hard to bring the deficit down.
Minister Sandals: It's challenging that we seem to have an insoluble problem because of the difference. I'm pleased and leave absolutely no question that we've reached the deficit targets.

Tumelty -- City News – Did you have a meeting with AG?
Minister Sousa: We had a meeting with the AG this morning, she cited that she would not provide an audited opinion.

Minister Sandals -- We identified we had an urgent need to get the financials to the public.

Opposition Response :
Lisa MacLeod- PC MPP :
This dispute shows the government wants to continually undermine the independent officers. The question is what is the government continuing to hide? Who are we supposed to trust? The government or the auditor general?

Vic Fedeli – PC Finance Critic:
The Auditor General has raised concerns and what does the government do? They issue a public statement and come out with an unaudited report.

When the auditor finds an $11 billion hole in the liberal budget, the answer is to release this unaudited reported.
The Liberals have obviously changed the rules, unacceptable and unparalleled and tells you the true state of the finances of the province of Ontario.

Benzie – Toronto Star:
Have we been deluded about the deficit and debt?
MPP Fedeli:
If the auditor has decided on the rules…there's 40 or 50 staff, this is full blown panic mode.
If they're so convinced that they're right, why not meet with the auditor general on an ongoing basis? I'm waiting to hear what the true deficit from the AG and the FAO.

MPP MacLeod:
-Former independent officer has become so disgruntled that he's running for a seat.
-We have known for close to a week that the government was in this dispute, we learned again on Friday that three senior bureaucrats with the government were planning to call the AG partial.
-We have 18 months to go before an election and the Liberals are down in popularity.
-And by the way they still haven't tabled the public accounts.

MPP Fedeli:
-At the end of the day surrounded by 40 or 50 staffers, they're trying to talk about the fact they're going to balance, but it's artificial.
-FAO says that once they sell Hydro we'll plunge back into deficit.
-Public accounts is a rear view mirror. It looks backwards. Here's exactly what was spent. Raw accounting and that is the biggest concern. If it was a budget and there's lots of fluff. This is public accounts and this is where the auditor tells you the numbers.

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