The following is a “pro-forma” of a regulation to amend to regulation 395/11 or to be included in a separate regulation of the FAA based on the authority of the FAA Sec 1.0.10 (c.3) that allows the LGIC to make regulations that define the ‘accounting policies and practices to be followed with respect to the preparation of the consolidated financial statements of the Province’.

This has not be prepared with the help of the legal cluster or Legislative council and should be considered “instructions” to be provided for drafting if this regulation is to be put in place.

Accounting policies and practices to be followed to prepare the consolidated financial statements of the Province

1.0 This section applies to the consolidated financial statements of the Province as set out in the 2015-16 Public Accounts. O. Reg. 51/12, s. 1 (2) for the fiscal year ending March 31, 2016 and for the comparative financial results for the year ending March 31, 2015 (Needs to be explicit that this expires or only applicable to this one year of statements)

Commented [IDP1]: Note for legal council: the 2015-16 public accounts has consolidated financial statements that present the current year’s 2015-16 results and an updated 2014-15 financial results as comparative figures.

We do not want this regulation to impact the official 2014-15 public accounts published a year ago but only the “restated” 2014-15 numbers presented in the 2015-16 public accounts.

(i.e. there is no plan to republish the 14/15 public accounts, but for purposes of comparison in the FSD&A and f/s, they would be similarly adjusted). n

2.0 As related to the pension balances for the Ontario Teachers’ Pension Plan (OTPP) and the Ontario Public Service Employees Union (OPSEU) Pension Plan, reported in the consolidated financial statements of the Province, the Province will assume no expected future benefit when determining the valuation allowance on the adjusted benefit asset.

DEFINITIONS

An **adjusted benefit asset** is the sum of the government's accumulated cash contributions less the sum of the current and prior years' benefit expenses less the amount, if any, by which the aggregate of any unamortized actuarial losses exceeds the aggregate of any unamortized actuarial gains.

The **expected future benefit** is the benefit a government expects to realize from a plan surplus.

BACKGROUND

The Financial Administration Act (FAA) that creates the authority to make regulations on accounting practices

Extract from the FAA:

Regulations

1.0.10 (1) Subject to the approval of the Lieutenant Governor in Council, the Board may make regulations,

(a) respecting the accounting for, and the collection, management and administration of public money;

(b) respecting the retention and disposal of records concerning the receipt or disbursement of public money;

(c) providing that a board, commission, authority, corporation or any other agency of the Government of Ontario does not fall within the definition of "public entity" set out in subsection 1 (1);

(c.1) respecting the accounting policies and practices of public entities;

(c.2) respecting the accounting policies and practices of entities (other than public entities) whose financial statements are included in the consolidated financial statements of the Province as set out in the Public Accounts;

(c.3) respecting the accounting policies and practices to be followed with respect to the preparation of the consolidated financial statements of the Province;

(d) designating the Speaker of the Assembly, the chair of the Board of Internal Economy established under the *Legislative Assembly Act* or any member of the Executive Council to represent, for the purposes of sections 1.0.7 and 1.0.8, any office or body reporting directly to the Assembly. 2009, c. 34, Sched. J, s. 2; 2010, c. 1, Sched. 7, s. 4; 2010, c. 26, Sched. 7, s. 2 (1); 2012, c. 8, Sched. 14, s. 1.