OPQs

Would the Minister of Finance state whether the government is in possession of an opinion from KPMG or E&Y on how this Fair Hydro Plan transaction should be recorded in the government's Consolidated Financial Statements, and further state precisely where they disagree with the Auditor General.

The government has engaged external accounting advisors to assist in the review this transaction on the consolidated financial statements. In addition, the OPG and IESO have worked extensively with their external auditors on the appropriate accounting for this transaction in their respective financial statements. Their auditors have provided their views and will continue to review the commercial agreements that are in the process of being finalized, at which point they will complete their analysis. The external auditor of the Independent Electricity System Operator, has already expressed its opinion publicly in the 2016 IESO Annual Report that it's reporting of rate regulated assets and market accounts is appropriate and was not subject to any audit qualification.

Would the Minister of Finance state whether the government plans on creating more "regulatory assets" or any other anomalous legislated accounting structures in the future.

The government is committed to providing high-quality financial statements in compliance with the requirements of public sector accounting standards With respect to the reporting of regulatory assets, or in any circumstances where government accounting standards are silent on a matter, the government has and will continue to correctly reference other high-quality accounting standards, as required by PSAS in circumstances where PSAS does not provide guidance, to determine the proper financial reporting under PSAS. The government has only legislated accounting treatment that differed from PSAS on one occasion, which was in the 2015-16 Public Accounts, for the purpose of adopting the Auditor General's interpretation of PSAS with respect to the accounting for net pension assets. This regulation was time-limited and only used in 2015-16. In 2016-17, the government prepared its financial statements in accordance with PSAS and fully expects to prepare its financial statements in accordance with PSAS in future years.