Proposal for July 2017 Release of Public Accounts

Objective

To document OPCD's preliminary plans to enable a release of the 2016-17 Public Accounts by the end of July, 2017. Note that a decision has not been made regarding a release by the end of July. 2017, and this document is part of the analysis to determine whether achieving that release date is possible in 2017.

Assumptions:

- Auditor General's Office to complete all required audit work to enable a July 18th sign-off date.
- Management Letter of Rep could be completed by July 18th (including taxes, pensions, contaminated sites).
- No unanticipated, significant control related deficiencies (for which compensating controls not identified and tested as working effectively)
- No unanticipated, significant accounting or audit issues identified.
- No significant issues resulting from June tax data received prior to release of Public Accounts (late July).
- Reliance on existing legacy systems and controls for public accounts.
- For BPS (hospitals, school boards, colleges), audited information required from hospitals, school boards and colleges would be received in accordance with expedited timelines communicated by sector ministries (historically mid-May for colleges and school boards, and May 31st for hospitals), allowing for ministries to complete consolidation process which takes 2-4 weeks, as a minimum for most significant entities. * Assumed that hospitals, school boards and colleges able to renegotiate external audit contracts to meet new timelines, as a minimum for most significant entities.
- Significant and complex consolidations associated with IO, ONTC, Metrolinx and GREP can be completed in accordance with expedited timelines.
- Focus of early release is on the Annual Report which includes the consolidated financial statements. The release date of supplementary volumes may follow the release date for the AR & CFS.
- Data visualization/open data release date depends on completeness of formatting and information available (AODA compliance effective since Jan 1, 2016). Main impact is on Volume 2.
- French translation and other production-related activities could be completed in time for release.
- No competing publications occurring in parallel demanding time of TBS Comms or BudSec (e.g. Q1 Finances)
- Sufficient, knowledgeable resources in APFR to deliver on Annual Report, CFS, address complex accounting/audit issues, manage production, data visualization, briefings, etc.

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Planning:

OPCD proposes the timelines below for completion of major milestones associated with completion of the Annual Report and consolidated financial statements to support a July 18, 2017 audit signoff date:

See **Appendix A** for dates related to detailed planning.

With regards to tax revenue accruals (mainly PIT, CIT), OPCD will continue to work with OEP and OAG regarding the acceptability of an alternative approach to support early release which would require reliance on the Province's economic model.

Communications to date
To date, OPCD has stakeholdered with the following stakeholders, including ministries and central agencies regarding an earlier possible release date for Public Accounts

- OAG
- OIAD (Systrust, Certificate of Assurance)
- Ministry of Education regarding consolidation of OGOs
- Ministry of Advanced Education and Skills Development regarding consolidation of Colleges
- Ministry of Education regarding consolidation of School Boards
- Ministry of Health and Long-Term Care regarding consolidation of hospitals and OGOs
- Ministry of Transportation/Metrolinx
- Ministry of Economic Development, Employment and Infrastructure regarding consolidation of Infrastructure Ontario (IO) and General Real Estate Portfolio (GREP)
- Ministry of Natural Development and Mines regarding consolidation of Ontario Northland Transportation Commission (ONTC)
- Capital Planning Division (re: IO, GREP)
- Office of Economic Policy regarding tax revenue accruals

Public Accounts instructions to BPS sector ministries which are planned to be issued in February would indicate the planned timeline for the 2016-17 submissions from stakeholders. Instructions to other non-BPS ministries would be issued around the same time and also reflect the dates associated with an early release (indicated as subject to change).

Once confirmed, the planned release date and associated deliverable dates would be more formally communicated to various stakeholder groups.

Submission timelines
Communicated ministry submission dates are expected to reflect dates by which OPCD requires information to complete consolidations, notes and audit schedules to achieve a July 18th signoff date. Due to the new timelines considered necessary to achieve the early release date, no additional buffer has been included in the noted timelines to allow for unforeseen delays and/or corrections. To compensate, for any unanticipated delays, OPCD proposes to work with the OAG on a flexible approach to reprioritize/reschedule submissions and/or audit activities while still working towards the July 18th sign off date. Formal and regular communication with major ministries (MOH, EDU, MAESD) and agencies through ministries (e.g. IO, ONTC, GREP, Metrolinx) is also seen as beneficial to manage delivery and audit risks.

Quality Assurance (audit support)
As in the past, OPCD will continue to review ministry submissions for completeness and accuracy. As part of this process, OPCD will continue to track the dates information is requested to be received and date actually received, while undertaking follow up activities on any missing information. Such work would include information required for the notes to the financial statements.

To ensure timely and complete submissions for OPCD and OAG purposes, APFR will take a more active role to ensure the information needed from ministries is received in accordance with the early release timelines communicated by both OPCD and the OAG. To accomplish this, OPCD will assign a resource to monitor and track status of submissions, and to follow up on missing or incomplete submissions. A student may be assigned to this role, to be overseen by a senior analyst who would be the primary contact with ministries.

Dates for Schedules to be 'prepared by client' (PBC)
The following schedule reflects updated timelines for information required by OPCD based on the actual dates received for the 2015/16 Public Accounts and taking into account the expedited release date.

Timelines for Key Deliverables:

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a)Prep of proforma f/s by end of January
b)Review of pension economic assumptions in December
c)Proposed timeline for delivery of position papers on major issues
d)No significant re-write of FSD&A
e)etc.

Milestone	**2015/16 Planned** Dates (Note that 2015/16 dates are later than the historical timelines)	**PROPOSED TIMING 2016/17**
OAG "draft" Audit Plan to OPCD	January 28, 2016	Prior to January 24 meeting noted below
Meeting between Auditor General and Provincial Controller to review DRAFT Audit Plan	February 23, 2016	January 24, 2017
Draft Proforma CFS and notes to OAG		end of January
Finalization of Planning Procedures	April 29, 2016	February/March, 2017
Meeting between Auditor General and Deputy Minister TBS and Deputy Minister Finance on FINAL Audit Plan	June 30, 2016	March 30, 2017
Draft FSD&A with Interim Numbers	August 5, 2016	End of May 2017 (post internal reviews and feedback)
Completion of year-end fieldwork	September 5, 2016	June 23 (for end of June SUDS)
"Draft" Audit Findings Report and update SUDS provided to Director of External Reporting for review and comments	September 6, 2016	July 12, 2017
Final Summary of Unadjusted Errors, Final Draft Consolidated Financial Statements and "Draft" Audit Findings Report to TBS (Meeting between Auditor General & Deputy Minister TBS and Deputy Minister of Finance)	September 8, 2016	July 18, 2017
Finalization of Consolidated Financial Statements and FSD&A	September 8, 2016	July 18, 2017
Expected Auditor's Report sign-off, Audit Opinion Date, and Date of Management Letter of Representation	September 8, 2016	July 18, 2017

Completed Consolidated Financial Statements and FSD&A and exchange of Management Letter of Representation with Signed Auditor's Report	September 12, 2016	July 18, 2017
Meeting between Auditor General and President of Treasury Board	September 12, 2016	July xx, 2017
Final Audit Findings Report	September 16, 2016	September 12, 2017
Management Letter and Chapter 2 of Annual Report	November 1, 2016	October 11, 2017

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Hyperion Parallel Run

As discussed, an early release strategy for 2016/17 will require continued reliance upon legacy systems and processes to prepare the 2016/17 Consolidated Financial Statements. As the implementation of Hyperion continues in parallel, it is acknowledged that there will be additional workload pressures on all stakeholders (and internal OPCD resources) as we simultaneously implement the new system in while addressing the tighter Public Accounts release deadlines based on legacy systems and processes. As the Hyperion system will not be the system of record for the 2016-17 CFS and no reliance will be placed on Hyperion for purposes of the 2016/17 financial statement audit, it will be excluded from the scope of the Systrust Audit. We understand that the OAG will plan to audit the manual roll up process while also auditing the parallel run for the Hyperion implementation and related consolidation processes.

OPCD will require additional details from the OAG on planned audit procedures related to the Hyperion implementation.

Appendix A: Detailed Timeline for Audit Components

Audit Component	Date Information May be Provided to OAGO (Tentative)	OPCD Staffing (tentative)	OPCD Staffing (te
Accrual for CHT and CST & Government of Canada Revenue	2nd week of June		
Accrual for Corp. Tax	2nd week of June		
Accrual for HST	2nd week of June		
HST Tax Credits	TBD		
Accrual for PIT (based on June 30 CRA assessment data)	2nd week of June		
Tax credits (OSTC,OEPTC,OSHPTG)	TBD		
Analytical Review of Final Draft Financial Statements (Income Statement)	June 19		
Analytical Review- Balance Sheet	June 26		
Bank Reconciliations - Cash	May 12		
Capital Assets Additions – Pre-consolidation	May 19		
Capital Assets Additions – Post-consolidation	1st week of Jun		
Capital Leases	May 19		
Consolidation of BPS Entities - Hospitals	June 16		
Consolidation of BPS Entities - School Boards	June 16		
Consolidation of BPS Entities - Colleges	June 16		
Consolidation of BPS Entities - Inter-Sector	June 16		

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Consolidation of Government Enterprises	June 2
Consolidation of Government Organizations (except IO, ONTC, Metrolinx and GREP)	June 2
Contaminated site -Ministries and OGOs – Pre-consolidation	May 12
Contaminated site -Ministries and OGOs – Post-consolidation	1st week of June
Deferred Hedging	May 5
Derivative and Risk Disclosure	May 5
Draft Summary Financial Statements with COG Roll-Up	3rd week of June
Effective Interest Rates	April 25
Fair Value of Debt	May 12
Hydro Sector (IPO)	1st week of April
Audit Component	**Date Information May be Provided to OAGO (Tentative)**
Hydro Sector (reconciliation)	Mid June
IFIS GL (Final Run)	April 19
Interest on Debt	1st week of June
Legal Letter	May 2/Aug 11*
Loans Receivable – Pre-consolidation	May 19
Loans Receivable – Post-consolidation	1st week of June
Non-Public Debt	1st week of June
Non-tax Revenue Accruals (Excl. CHST) and Deferred Revenue	1st week of June
ODOE Accruals and Prepaid Expenses and Other Assets	May 19
Pension Calculations & Other Employee Benefits (TPP, OPS, Exclude Agency Adj.)	April 3 - May 26
Public Debt	April 25
Reinvestments at Year-end (if any)	N/A
Salaries, Wages and Benefits Accruals, Vacation Pay	May 23
Schedule of Commitments – Pre-consolidation	May 23
Schedule of Commitments – Post-consolidation	2nd week of June
Schedule of Contingencies – Pre-consolidation	May 26
Schedule of Contingencies – Post-consolidation	2nd week of June
Signed Management Rep. Letter to OAG	July 18
Tax Revenue Accruals (excl. PIT, CT, and HST) – from MOF	May 19
Temporary Investments	2nd week of June
Transfer Payment Accruals	May 12
Trust and Special Purpose Accounts (S15 & Spa journals)	June 1
Volume 1 Draft	1st week of June
Volume 2 Draft	1st week of July 28

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