TBS

Office of the Provincial Controller Division

2016-17 Public Accounts Preliminary Results

July 31, 2017

Confidential – For Internal Discussion Purposes

Expenses

2016-17 Preliminary Actual Results								
$ Millions	**Budget**	**Interim**	**2016-17 Actual (Prelim)**	**2015-16 Actual**	**Change from Budget**	**%**	**Change from Interim**	**%**
Expense								
Program Expense	129,377	130,947	**130,017**	128,074	640	0.5%	(930)	-0.7%
Interest on Debt	12,412	11,908	**11,709**	11,589	(703)	-5.7%	(199)	-1.7%
Total Expenses	141,789	142,855	**141,726**	139,663	(63)	0.0%	(1,129)	-0.8%

Possible Range of Impact of Outstanding Items

Areas under Review:	Impact (+/- Deficit)
Contaminated Sites, including Grassy Narrows	+
Accounting for Affordability Fund	-
Remedy Accrual	+/-
Tax Revenue Accruals	+
ELHT Expense Recognition	+/-
WSIB Benefits	+
Land Claims	+

Consolidated Expense By Ministry: Interim vs. Prelim. Actual

	Budget	2016-17 Interim	2016-17 Preliminary Results	Budget Variance	Budget % Change	Interim Variance	Interim % Change
Aboriginal Affairs	76	99	129	53	69.7%	30	30.3%
Agriculture, Food and Rural Affairs	916	1,074	1,032	116	12.7%	(42)	-3.9%
Attorney General	1,868	1,942	1,937	69	3.7%	(5)	-0.3%
Board of Internal Economy	219	226	220	1	0.5%	(6)	-2.7%
Children and Youth Services	4,346	4,392	4,379	33	0.8%	(13)	-0.3%
Citizenship, Immigration and International Trade	221	179	176	(45)	-20.4%	(3)	-1.7%
Community and Social Services	11,469	11,710	11,627	158	1.4%	(83)	-0.7%
Community Safety and Correctional Services	2,649	2,689	2,681	32	1.2%	(8)	-0.3%
Economic Development, Employment and Infrastructure/Research and Innovation	1,796	1,395	1,235	(561)	-31.2%	(160)	-11.5%
Education	26,545	26,726	26,580	35	0.1%	(146)	-0.5%
Teachers' Pension	(452)	(502)	(377)	75	-16.6%	125	-24.9%
Energy	393	926	920	527	134.1%	(6)	-0.6%
Environment and Climate Change	531	531	523	(8)	-1.5%	(8)	-1.5%
Executive Offices	44	49	48	4	9.1%	(1)	-2.0%
Finance	966	899	861	(105)	-10.9%	(38)	-4.2%
Interest on Debt	12,412	11,908	11,709	(703)	-5.7%	(199)	-1.7%
Municipal Partnership Fund	505	505	505	-	0.0%	-	0.0%
Power Supply Contract Costs	643	739	838	195	30.3%	99	13.4%
Government and Consumer Services	607	617	600	(7)	-1.2%	(17)	-2.8%
Health and Long-Term Care	55,786	56,345	56,026	240	0.4%	(319)	-0.6%
Labour	310	310	308	(2)	-0.6%	(2)	-0.6%
Municipal Affairs and Housing	1,060	1,541	1,544	484	45.7%	3	0.2%
Natural Resources and Forestry	820	862	858	38	4.6%	(4)	-0.5%
Northern Development and Mines	791	837	814	23	2.9%	(23)	-2.7%
Office of Francophone Affairs	6	5	5	(1)	-16.7%	-	0.0%
Tourism, Culture and Sport	1,339	1,537	1,539	200	14.9%	2	0.1%
Training, Colleges and Universities	10,198	10,182	10,130	(68)	-0.7%	(52)	-0.5%
Transportation	3,850	3,688	3,637	(213)	-5.5%	(51)	-1.4%
Treasury Board Secretariat	322	251	240	(82)	-25.5%	(11)	-4.4%
Contingency Fund	1,200	30	-	(1,200)	-100.0%	(30)	-100.0%
Employee and Pensioner Benefits	1,153	1,163	1,002	(151)	-13.1%	(161)	-13.8%
Program Review Savings Target	-			-			
Year End Savings	(800)			800	-100.0%		
Total Expense	**141,789**	**142,855**	**141,726**	**(63)**	**0.0%**	**(1,129)**	**-0.8%**

Preliminary Analysis (Interim vs. Prelim. Actual)

- Aboriginal Affairs: $29M higher expense reflects the land claim settlement with Lac Dec Mille Lacs First Nation (Ministry got TBS approval in June to make additional payment of $29M)
- Economic Development, Employment and Infrastructure (MEDEI): $160M lower expense is mainly due to $129M unspent amount of Clean Water and Wastewater Fund (CWWF) allocated in 2017 budget (Provincial contribution - $47M and Federal Contribution - $82M)
- Education: School boards expense is lower than expected, ministry funded other programs are higher than expected (details to follow)
- Teachers' Pension: $125M higher expense is mainly due to edits in the pension plan model.
- Interest on Debt: The $199M lower interest expense is due to a multitude of factors including higher than anticipated consolidation adjustments and investment income, as well as lower than anticipated interest rate impacts.
- Health: Hospitals and agency expense is lower than expected, offset by higher spending on ministry's other programs (details to follow).
- Power Supply Contract Costs: $99M higher expense offset by equal revenue – fiscally neutral adjustment
- Training, Colleges and Universities: Higher program spending than expected. The colleges spending is on target.
- Employee and Pensioner Benefits: WSIB did change their estimation method. The reduction in the provision rate of 6.10% from 34.3% was a result of WSIB excluding first year claims administration expenses from the expense provision as a review concluded that first year claims administration expenses are part of the in-year expenses for the next year rather than part of the benefit liabilities of the current year end.