RE: Draft PER Statement

From: "Hosick, Sarah (TBS)" <sarah.hosick@ontario.ca>
To: "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>, "Donaldson, Mark (TBS)" <mark.donaldson@ontario.ca>
Date: Tue, 24 Apr 2018 13:36:26 -0400

Thanks to both of you – I'll get more insight into what MO is looking for in the last paragraph we have struck out

From: Veinot, Cindy (TBS)
Sent: April 24, 2018 1:18 PM
To: Hosick, Sarah (TBS); Donaldson, Mark (TBS)
Subject: RE: Draft PER Statement

My understanding is that the Quebec auditor will review the Quebec pre-election report this year – so not sure if FTAA continues to be the "only legislation of its type in the country…"

See additional comments below.

From: Hosick, Sarah (TBS)
Sent: April 24, 2018 12:39 PM
To: Veinot, Cindy (TBS); Donaldson, Mark (TBS)
Subject: FW: Draft PER Statement
Importance: High

Hi Cindy and Mark

MO's draft PER statement is below that we can review for factual accuracy. They won't be taking edits on the key messages. In particular, I'd draw your attention to the last two paragraphs that mention the disagreements:

*********DRAFT

We thank the Auditor General for her response to the Pre-Election Report. The Treasury Board Secretariat and Ministry of Finance work closely with the OAG on a wide variety of issues on a regular basis, and her oversight and insight is welcomed both during our regular interactions and during the release of special reports, including this one.

Our government passed the Fiscal Transparency and Accountability Act in 2004. The Fiscal Transparency and Accountability Act is the only legislation of its type in the country and is reflective of our commitment to openness and transparency. Through the Pre-Election Report and the Office of the Auditor General's analysis, Ontarians are given the information they need to make an informed decision ahead of a provincial election.

The Pre-Election Report on Ontario's Finances presented the fiscal plan for 2018–19 to 2020–21 fiscal years. As verified by the Auditor General, Ontario's books are prepared in accordance with cautious assumptions that recognize the need for flexibility in the fiscal plan to respond to an ever changing world. [I think there needs to be a link to the two accounting disagreements in this paragraph – otherwise the statement is misleading.]

We know Ontario's economy has grown steadily in recent years, but we know that more must be done to encourage increased growth and create more jobs in an uncertain global economy. As we move forward, we must also ensure that the benefits from this growth are equally shared. The Ontario Liberal government has made a deliberate decision to invest in people – in high quality childcare, homecare, support for seniors and pharmacare, with OHIP+, for children, youth and seniors.

The OAG mentions two specific topics that represent ongoing conversations and technical accounting disputes between government and her office.

The government's position regarding the accounting for net pension assets of the Province's two jointly sponsored pension plans is supported by a panel of well-known experts, and we continue to believe of the application of the United States Generally Accepted Accounting Principles on the topic of rate-regulated accounting is appropriate as the Public Sector Accounting Board's standards are silent. The government's opinion on these matters has not changed.

~~Changes made to the IESO's accounting practices hinge on a technical disagreement regarding the agency's status as a rate regulated entity. As the change in the IESO's accounting practice has eliminated a second set of books that was previously kept, has brought greater transparency to $17b worth of transactions and furthermore is consistent with the accounting practices of the IESO's predecessor, the OPA, the government's opinion has not changed.~~

(this last paragraph is factually incorrect – if you can find out what the messaging is coms is trying to get across, we can draft something.)

From: Miller, Amanda (TBS)
Sent: April 24, 2018 11:43 AM
To: Hosick, Sarah (TBS); Nelson, Dane (TBS)
Cc: Laughton, Patrick (TBS); Ue, Allison (TBS)
Subject: FW: Draft PER Statement
Importance: High

Hi, OPCD and DMO,

Sharing the draft statement below, in connection with the PER. Our MO has worked with senior PO officials to compose the statement, which would be issued jointly by Ministers McMahon and Sousa. Their planned approach is to circulate the statement to the press gallery tomorrow, after the AG releases her report. MO is requesting our review for factual perspective only – they have indicated language and key messages are currently positioned the way MO and PO would like to approach the matter.

Appreciate your concurrent review as early as possible today. Following this, outreach to MOF will be coordinated through our MO.

Thanks for your time on this one!

Amanda

Amanda Miller
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Communications Branch, Treasury Board Secretariat

Tel: 416-326-8538

From: Hadisi, Lawvin (TBS)
Sent: April 24, 2018 10:44 AM
To: Miller, Amanda (TBS); Sullivan, Bryant (TBS)
Subject: Draft PER Statement

*********DRAFT

We thank the Auditor General for her response to the Pre-Election Report. The Treasury Board Secretariat and Ministry of Finance work closely with the OAG on a wide variety of issues on a regular basis, and her oversight and insight is welcomed both during our regular interactions and during the release of special reports, including this one.

Our government passed the Fiscal Transparency and Accountability Act in 2004. The Fiscal Transparency and Accountability Act is the only legislation of its type in the country and is reflective of our commitment to openness and transparency. Through the Pre-Election Report and the Office of the Auditor General's analysis, Ontarians are given the information they need to make an informed decision ahead of a provincial election.

The Pre-Election Report on Ontario's Finances presented the fiscal plan for 2018–19 to 2020–21 fiscal years. As verified by the Auditor General, Ontario's books are prepared in accordance with cautious assumptions that recognize the need for flexibility in the fiscal plan to respond to an ever changing world.

We know Ontario's economy has grown steadily in recent years, but we know that more must be done to encourage increased growth and create more jobs in an uncertain global economy. As we move forward, we must also ensure that the benefits from this growth are equally shared. The Ontario Liberal government has made a deliberate decision to invest in people – in high quality childcare, homecare, support for seniors and pharmacare, with OHIP+, for children, youth and seniors.

The OAG mentions two specific topics that represent ongoing conversations and technical accounting disputes between government and her office.

The government's position regarding the accounting of pension assets has long-since been supported by a panel of well-known experts, and we continue to acknowledge the appropriateness of the application of the United States Generally Accepted Accounting Principles when the Public Sector Accounting Board's standards are silent, as they are in this instance. The government's opinion on this matter has not changed.

Changes made to the IESO's accounting practices hinge on a technical disagreement regarding the agency's status as a rate regulated entity. As the change in the IESO's accounting practice has eliminated a second set of books that was previously kept, has brought greater transparency to $17b worth of transactions and furthermore is consistent with the accounting practices of the IESO's predecessor, the OPA, the government's opinion has not changed.

Lawvin Hadisi
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