Statement to the House (Point of Order)

- I wish to inform the house that there will be a delay in the tabling of Public Accounts because of ongoing discussions between public servants within the Government and the Auditor General regarding the accounting treatment of the Public Accounts.

- I know officials are working hard to finalize the documents and I have directed senior Treasury Board officials to work with the Office of the Auditor General to develop a plan to finalize and table the Public Accounts as soon as possible.

- I want to assure members we are on track to meet our deficit targets.

Holding messaging for the minister

- There will be a delay in the tabling of Public Accounts because of ongoing discussions between public servants within the Government and the Auditor General regarding the accounting treatment of the Public Accounts.

- I have directed senior Treasury Board officials to work with the Office of the Auditor General to develop a plan to finalize and table the Public Accounts as soon as possible.

- As indicated in the 2016 Budget interim results, Ontario is on track to beat its deficit targets and we are committed to balancing the budget in 2017-18.

- Lower than forecast deficit projections confirm that our government's plan to achieve fiscal balance by 2017–18 is working while we continue to invest in the programs and services that matter to Ontarians.

- Keeping the public informed through transparent financial reporting remains a priority. In this spirit, as part of the 2015-16 Public Accounts we have built new visualization tools to assist the public in understanding Ontario's finances. These tools will be available when Public Accounts are released/or on X date or as soon as possible.

Qs & As

Top Questions:

Q. You say that the Public Accounts are important for transparency and accountability but you are delaying the release. Shouldn't you have done something earlier to address these issues and meet the deadline?

A. The Public Accounts is a central document to demonstrating the province's transparency in reporting the province's financial activities and position. It is a retrospective document that compares Ontario's actual performance to what was planned in the Budget.

We have a responsibility in ensuring that the financial information as presented in Public Accounts best reflects the underlying economic substance of the government's activities in serving the needs of users of the government's financial statements.

I have directed senior Treasury Board officials to work with the Office of the Auditor General to develop a plan and finalize the Public Accounts on X date or as soon as possible.

The government is committed to continuing to work with the Office of the Auditor General.

Q. How can you possibly suggest that a delay in the release date of the Public Accounts is in the public interest?

A. We have a responsibility in ensuring that the financial information as presented in Public Accounts best reflects the underlying economic substance of the government's activities in serving the needs of users of the government's financial statements.

I have directed senior Treasury Board officials to work with the Office of the Auditor General to develop a plan and finalize the Public Accounts on X date or as soon as possible.

The government is committed to continuing to work with the Auditor General's office.

NEW Q. Is there a delay in Public Accounts because you can't afford the childcare commitment and the electricity rebate?

A. No, Public Accounts is a retrospective document that compares Ontario's actual performance to what was planned in the Budget.

I have directed senior Treasury Board officials to work with the Office of the Auditor General to develop a plan and finalize the Public Accounts on X date or as soon as possible.

The government is committed to continuing to work with the Auditor General's office.

NEW Q. In 2003, your government brought in legislated timelines for Public Accounts. Why aren't you adhering to your own legislation?

A. We have a responsibility in ensuring that the financial information as presented in Public Accounts best reflects the underlying economic substance of the government's activities in serving the needs of users of the government's financial statements.

I have directed senior Treasury Board officials to work with the Office of the Auditor General to develop a plan and finalize the Public Accounts on X date or as soon as possible.

The government is committed to continuing to work with the Auditor General's office.

Q. What do you hope to accomplish between now and the new tabling date?

A. We have a responsibility in ensuring that the financial information as presented in Public Accounts best reflects the underlying economic substance of the government's activities in serving the needs of users of the government's financial statements.

I have directed senior Treasury Board officials to work with the Office of the Auditor General to develop a plan and finalize the Public Accounts on X date or as soon as possible.

The government is committed to continuing to work with the Office of the Auditor General.

Q. When will you come clean and publish Public Accounts?

A. I have directed senior Treasury Board officials to continue to work with the Office of the Auditor General to develop a plan and finalize the Public Accounts on X date or as soon as possible.

The government is committed to continuing to work with the Office of the Auditor General.

Q. How do you respond to allegations this is self-serving way to hide a significant financial problem?

A. Professional accountants and senior officials with Treasury Board take their responsibility for accurately presenting financial information seriously.

As Minister, I have seen first-hand the hard work and due diligence that professional public servants do every day to ensure that the province's finances are portrayed in a transparent manner.

I have directed senior Treasury Board officials to work with the Office of the Auditor General to develop a plan and finalize the Public Accounts on X date or as soon as possible.

The government is committed to continuing to work with the Auditor General's office.

Q. Disagreement with officers of the legislature seems to be a recurring theme – at least with the AG – what's your position on this? Does this government have a problem with officers of the legislature?

A. The government respects the oversight and recommendations provided by the independent officers of the Legislative Assembly of Ontario, including the Auditor General. As a government, we value our important and ongoing relationship with each of these officers.

I have directed senior Treasury Board officials to work with the Office of the Auditor General to develop a plan and finalize the Public Accounts on X date or as soon as possible.

The government is committed to continuing to work with the Office of the Auditor General.

Q. Is this an indication of financial mismanagement on the part of government?

A. As indicated in the 2016 Budget interim results, Ontario is on track to beat its deficit targets and we are committed to balancing the budget in 2017-18. We remain confident that we will meet or beat the interim results for the deficit.

We have a responsibility in ensuring that the financial information as presented in Public Accounts best reflects the underlying economic substance of the government's activities in serving the needs of users of the government's financial statements.

I have directed senior Treasury Board officials to work with the Office of the Auditor General to develop a plan and finalize the Public Accounts on X date or as soon as possible.

The government is committed to continuing to work with the office of the Auditor General.

Regulation Questions

NEW Q. The Government also made a regulatory change to its accounting practices. What is the long-term impact of this change?

A. As part of this year's Public Accounts work, the Auditor General raised a question about the Province's historical practices of reporting pension assets for jointly sponsored pension plans.

Following a review of the Province's accounting policies for these assets, and to address the Auditor General's question, the government passed a regulation to implement a change in its accounting policy for pension assets.

The treatment of pension assets is a complex accounting issue, the Public Sector Accounting Board has initiated a project to review pension accounting standards. They are currently in the process of scoping their project and will be seeking input from governments, auditors and other stakeholders to ensure that accounting standards support transparency and accountability and meet user needs.

We look forward to working with the Auditor General and the Public Sector Accounting Board to ensure that public sector accounting standards continue to support transparency and accountability in reporting to the public, legislature and other users.

NEW Q. Was there something wrong with the accounting rules that the government was using before?

A. Ontario has followed the same pension accounting treatment for all of the past 15 years. This had been accepted by the current Auditor General for the last two years. It has also been accepted by three previous Auditors General, and there has been no change to the relevant accounting standards over the past 15 years.

As part of this year's Public Accounts work, the Auditor General raised a question about the Province's historical practices of reporting pension assets for jointly sponsored pension plans.

Following a review of the Province's accounting policies for these assets, and to address the Auditor General's question, the government passed a regulation to implement a change in its accounting policy for pension assets.

NEW Q. Does the change in accounting regarding the assets of the Teachers' or OPSEU pensions plans mean those plans might be financially threatened?

A. Absolutely not. This issue relates solely to the Province's reported financial results and the Province's historical practices of reporting pension assets.

The two pension plans in the Ontario Public Service – which are of the defined benefit type – are healthy and well-funded.

The OPSEU Pension Plan is fully funded with a small reserve of surplus assets standing to the credit of the joint-sponsors, while the Public Service Pension Plan is nearly fully funded at 98%.

Both plans exceeded their target long-term rates of return in 2015. The Public Service Pension Plan achieved a 6.14% return and the OPSEU Pension Plan achieved an 8.0% return.

General Questions:

Q. Will you provide an interim report to the public?

A: As indicated in the 2016 Budget interim results, Ontario is on track to beat its deficit targets and we are committed to balancing the budget in 2017-18. We remain confident that we will meet or beat the interim results for the deficit.

Q. What are the key issues that the AG had with the government's reporting practices?

A. There is a divergent interpretation of complex standards among professional accountants and I have directed senior Treasury Board officials to work with the Office of the Auditor General to develop a plan and finalize the Public Accounts on X date or as soon as possible.

The government is committed to continuing to work with the Auditor General's office.

Q. Why hasn't the Auditor General raised this in the past two years?

A. I cannot speak for the Office of the Auditor General. Please refer your questions to the Auditor General's Office.

Q. Why is the AG raising this with you now?

A. I cannot speak for the Office of the Auditor General. Please refer your questions to the Auditor General's Office.

Q. Should taxpayers be concerned?

A. Absolutely not.

As indicated in the 2016 Budget interim results, Ontario is on track to beat its deficit targets and we are committed to balancing the budget in 2017-18. We remain confident that we will meet or beat the interim results for the deficit.

I have directed senior Treasury Board officials to work with the Office of the Auditor General to develop a plan and finalize the Public Accounts on X date or as soon as possible.

The government is committed to continuing to work with the Auditor General's office.

Q. Is the government on track to balance the budget by 2017-18? What impact do the Auditor General's concerns have on the path to balance?

A. As indicated in the 2016 Budget interim results, Ontario is on track to beat its deficit targets and we are committed to balancing the budget in 2017-18. We remain confident that we will meet or beat the interim results for the deficit.

The government's path to a balanced budget remains focused on achieving better outcomes and lowering costs through Program Review, Renewal and Transformation (PRRT) and maintaining the integrity of Provincial revenues while continuing to invest in the priorities that matter to the people of Ontario, such as healthcare, education and infrastructure.

We know there is more hard work ahead as we work towards a balanced budget, and we are confident that our partners will work with us to build Ontario up.

Q. Can credit rating agencies adjust their ratings based on this new development?

A. This is a temporary measure, I have directed senior Treasury Board officials to work with the Office of the Auditor General to develop a plan and finalize the Public Accounts on X date or as soon as possible.

The government is committed to continuing to work with the office of the Auditor General.

Q. How will this delay impact the province's debt holders and financial markets?

A. This is a temporary measure, I have directed senior Treasury Board officials to work with the Office of the Auditor General to develop a plan and finalize the Public Accounts on X date or as soon as possible.

The government is committed to continuing to work with the office of the Auditor General.

Q. The Auditor General has recommended that the government work toward implementing a long-term debt reduction plan with the target of reducing its net-debt-to-GDP ratio to pre-recession levels of 27%. Is the reason for the delay because the ratio has risen again?

A. The government continues to maintain a target of returning to the pre-recession level of 27 per cent. The first key step in achieving this is to balance the budget.

As indicated in the 2016 Budget interim results, Ontario is on track to beat its deficit targets and we are committed to balancing the budget in 2017-18. We remain confident that we will meet or beat the interim results for the deficit.

The government plans to invest more than $137 billion in capital over the next 10 years. Most of these capital investments are amortized over a period of time corresponding to the useful life of these assets. Even with a balanced budget, the difference between the cash investment to build the assets and the amortization (which is a non-cash amount) will continue to increase the debt.

The government's plan to reduce the ratio of net debt to GDP therefore hinges on both balancing the budget and investing in capital assets, both of which will help achieve the 27-per-cent target.