Ontario

NEWS

Treasury Board Secretariat

Ontario Releases 2015-16 Public Accounts

Expert panel to review accounting standards

The government has received the Auditor General's opinion on the 2015-16 Public Accounts of Ontario, enabling it to release the Public Accounts. The results reported in the Public Accounts are identical to the unaudited financial statements released earlier this week. They confirm Ontario has beaten its annual deficit target for the seventh year in row.

The Auditor General has provided her opinion, which says that the 2015-16 results are fairly stated but qualifies her opinion for lack of restatement of the 2014-15 results.

In preparing the Public Accounts, the Province's professional accounting staff and the Auditor General's Office engaged in discussions about the appropriate application of the Public Sector Accounting Board's (PSAB) standards, specifically in relation to pension accounting for the Province's jointly sponsored pension plans.

After careful consideration, the government adopted the Auditor General's fiscal interpretation for the treatment of jointly sponsored pension assets for 2015-16. In order to comply with the interpretation, a time-limited regulatory amendment was required to change the accounting treatment for the 2015-16 Public Accounts. The impact of the change resulted in an additional $10.7 billion being added to the net debt and accumulated deficit and an increase in the annual deficit of $1.5 billion.

The Auditor General's qualified opinion is based on the government's decision to report the accounting change in 2015-16 without restating the prior year's results. Restating the previous year's results would have had no impact on the financial results for 2015-16, including the annual deficit and net debt.

The Auditor General's qualification relates only to the presentation of the 2014-15 comparative financial information. There is no impact on the 2015-16 annual deficit, accumulated deficit or net debt as illustrated in the table.

($ millions)	Annual Deficit 2014-15	Accumulated Deficit 2014-15	Net Debt 2014-15	Annual Deficit 2015-16	Accumulated Deficit 2015-16	Net Debt 2015-16
Province's 2015-16 financial statements	-10,315	-187,511	-284,576	-5,029	-202,697	-305,233
Auditor General's 2015-16 opinion	-11,268	-196,665	-293,730	-5,029	-202,697	-305,233
Auditor General's 2014-15 opinion	10,315	187,511	284,576	n/a	n/a	n/a

Commented [OG1]: We need to make all these numbers positive, which is how we present the deficit and net debt in the Public Accounts

To support decisions on appropriate accounting under PSAB standards, especially as related to the complex matter related to jointly sponsored pension plans, the government is forming an independent Expert Panel to provide advice and recommendations on the interpretation and application of public sector accounting standards to Ontario's pension assets.

Panel members will also provide advice on how to value pension assets reported on the Province's books, taking into account future decisions which might be made by the plan's sponsor or sponsors. The report is expected later this year.

QUOTE

"I wish to thank the Auditor General for providing her audit opinion of the 2015-16 Public Accounts. The Public Accounts confirm this is seventh year in a row that Ontario has beaten its annual deficit target. Ontario remains committed to balancing the budget in 2017-18 while remaining balanced in 2018-19."

— Liz Sandals, President of the Treasury Board

QUICK FACTS

Public Accounts are a retrospective report that compares Ontario's actual performance to what was planned in the Budget.

Treasury Board Secretariat prepares Public Accounts in accordance with the accounting principles for governments recommended by the Public Sector Accounting Board.

LEARN MORE

Read the 2015-16 Public Accounts and explore supplementary information available through new data visualization tools

Watch a video explaining Public Accounts [insert whiteboard hyperlink]

Learn about the government's fiscal cycle

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