Post release of Annual Report messaging

If Auditor General calls for previous years to be restated:

The current Auditor General has accepted our treatment of pension assets for the last two years, resulting in unqualified – or clean audit opinions. Three previous Auditors General have also accepted the treatment. There has been no change to the relevant accounting standards over the past 14 years.

We have been transparent about the fact that the Province's professional accounting staff and the Auditor General could not reach an agreement on the appropriate application of the Public Sector Accounting Board's standards (PSAB) in relation to pension accounting.

A regulation was filed to prescribe the accounting treatment for pension assets for the 2015-16 financial statements. The regulation specifically states that the changes are restricted to the 2015-16 results.

The Auditor General reviewed and accepted the regulation before it was put in place.

The regulation resolves the outstanding accounting issue for this year in a manner that is consistent with what was proposed by the Auditor General.

We would be in contravention of the regulation if we were to restate the previous year's results.

Concerning the impact on future years' results, Ontario will be engaging an expert panel to support a full understanding of the basis and nature of the differences. The Province will consult individuals with a range of backgrounds and experience, including preparers, joint sponsors and auditors of public sector financial reports.

If Auditor General releases a qualified opinion into the public domain without informing the government:

It is unfortunate that the Auditor General has decided to issue her audit opinion without informing us.

We will be launching an independent panel to further assess and advise on this accounting matter. Once the panel's results are known, we will be in a better position to determine the impact, if any, on both past and future financial reports.

In the meantime, I encourage you to explore the Annual Report and unaudited Consolidated Financial Statements at Ontario.ca. As part of our commitment to openness and transparency, these now include 5-year trend analysis, new and updated data visualizations and downloadable data sets for public use.

Auditor General releases a qualified opinion

It is unfortunate that the Auditor General has decided to issue a qualified opinion for 2015-16 Public Accounts considering the regulation we filed reflects the same results as the AG's proposed accounting treatment.

However, even when using the numbers that were suggested by the auditor general, we have shown that in fact we have beat our deficit target for the seventh year in a row.

We in fact showed that we had a projection originally of an 8.5 billion deficit. We now have a 5 billion deficit last year.

We are managing our economy prudently and we are on target to reach our goal of balancing the budget in '17/18.

We have been transparent about the fact that the Province's professional accounting staff and the Auditor General could not reach an agreement on the appropriate application of the Public Sector Accounting Board's standards (PSAB) in relation to pension accounting.

We will be launching an independent panel to further assess and advise on this accounting matter. Once the panel's results are known, we will be in a better position to determine the impact, if any, on both past and future financial reports.

(Placeholder for details re: panel & more details re: AG opinion/commentary)