For Approval - AG Press Conference Statements

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Hi All,

The AG will be in the media studio at 10am tomorrow to comment on the advice we received from the expert panel. Below please find 3 statements that could be potentially be issued by TBS depending on what the AG has to say. We have also asked the TBS MO to make the Chair available for media tomorrow, they have put a call into her and are optimistic that she will be available.

Please let us know if you are comfortable with this approach.

AGREEMENT:

"I am pleased that there is now agreement between the Province's professional accounting staff and the Auditor General regarding the accounting standards for Ontario's jointly sponsored pension plans.

The Independent Expert Panel concluded that the province's share of the surplus in the net pension assets of both the Ontario Teachers' Pension Plan and the Ontario Public Service Employees Union Pension Plan should be recognized as an asset in Ontario's financial statements. They came to this conclusion because recognizing this asset will provide a faithful representation of the province's financial position.

I would like to thank the members of the Independent Expert Panel for their thorough analysis. I look forward to continuing to work with the Auditor General."

DISAGREEMENT:

"We asked an independent expert panel to look into this because the advice we received from officials varied from that of the Auditor General. The Independent Expert Panel has now released its advice and has concluded that the province's share of the surplus of the net pension assets of both the OTPP and OPSEUPP should be recognized as an asset in Ontario's financial statements. They concluded that the government controls access to the pension surplus which has a future economic benefit to the province and recognizing the asset will provide an accurate representation of the province's financial position.

The panel was made up of accounting, legal, and pension experts in the areas of jointly sponsored pension plans governance, actuarial modelling for pension plans and public sector accounting standards and they include;

- Tricia O'Malley - Chair of the Canadian Actuarial Standards Oversight Council
- Murray Gold – Leading Practitioner and senior pension and benefits partner at KoskieMinsky LLP
- Uros Karadzic – A pension actuary and partner at Ernst and Young
- Paul Martin – Comptroller with the Government of New Brunswick

The government is accepting the independent expert panel's recommendations in order to present its financial statements in accordance with public sector accounting standards. This means that the province will continue to represent pension assets on its financial as it has since 2001."

AG WANTS A NEW PANEL/ORGANIZATION TO LOOK INTO THIS:

"Our government was clear when we looked to strike an independent panel that we would do so in collaboration with the Office of the Auditor General. This offer was declined by the Auditor. The government then decided to move forward with its commitment to appoint an independent Expert Panel to provide advice and recommendations on the application of public sector accounting standards to Ontario's net pension assets. The panel was chaired by Tricia O'Malley, who was Chair of the Canadian Accounting Standards Board and a member of the International Accounting Standards Board. Panel members have expertise in the areas of jointly sponsored pension plan governance, actuarial modelling for pension plans and public sector accounting standards. The government is accepting the independent expert panel's recommendations in order to present its financial statements in accordance with public sector accounting standards. This means that the province will continue to represent pension assets on its financial as it has since 2001."