# RE: Auditor

**From:** "Bevan, Andrew (OPO)" <"/o=govon/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=bevan, andrewf93">
**To:** "Forgione, Andrew (OPO)" <andrew.forgione@ontario.ca>, "Killorn, Bill (OPO)" <bill.killorn@ontario.ca>, "MacKenzie, Rebecca (OPO)" <rebecca.mackenzie@ontario.ca>, "Rowe, Mary (OPO)" <mary.rowe@ontario.ca>, "McEachern, Gillian (OPO)" <gillian.mceachern@ontario.ca>
**Cc:** "Lazarus, Jordan (OPO)" <jordan.lazarus@ontario.ca>, "Beaudry, Jennifer (OPO)" <jennifer.beaudry2@ontario.ca>
**Date:** Thu, 16 Feb 2017 11:21:24 -0500

Thanks Andrew. Obviously the panel will do as it wants

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**From:** Forgione, Andrew (OPO)
**Sent:** February-16-17 11:18 AM
**To:** Bevan, Andrew (OPO); Killorn, Bill (OPO); MacKenzie, Rebecca (OPO); Rowe, Mary (OPO); McEachern, Gillian (OPO)
**Cc:** Lazarus, Jordan (OPO); Beaudry, Jennifer (OPO)
**Subject:** RE: Auditor

Sounds good – we will ask to see if the panel wants to issue a statement today.

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**From:** Bevan, Andrew (OPO)
**Sent:** February-16-17 11:12 AM
**To:** Forgione, Andrew (OPO); Killorn, Bill (OPO); MacKenzie, Rebecca (OPO); Rowe, Mary (OPO); McEachern, Gillian (OPO)
**Cc:** Lazarus, Jordan (OPO); Beaudry, Jennifer (OPO)
**Subject:** Re: Auditor

Ok but can panel put out it's own statement too? As this seems to be a point that AG has clearly misunderstood in panel report

Sent from my BlackBerry 10 smartphone on the Rogers network.

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**From:** Forgione, Andrew (OPO)
**Sent:** Thursday, February 16, 2017 11:09 AM
**To:** Bevan, Andrew (OPO); Killorn, Bill (OPO); MacKenzie, Rebecca (OPO); Rowe, Mary (OPO); McEachern, Gillian (OPO)
**Cc:** Lazarus, Jordan (OPO); Beaudry, Jennifer (OPO)
**Subject:** RE: Auditor

TBS is walking the gallery (both d comms and policy) to make that clear very shortly and we are including a few panel quotes in Sandals' statement. The panel Chair is also available at 3 PM and TBS will tell gallery that in the walk around. Jenn is currently walking the gallery delivering the high level arguments so she can report back momentarily as well. Will have a revised statement for you soon just waiting on Mike's edits.

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**From:** Bevan, Andrew (OPO)
**Sent:** February-16-17 11:06 AM

**To:** Forgione, Andrew (OPO); Killorn, Bill (OPO); MacKenzie, Rebecca (OPO); Rowe, Mary (OPO); McEachern, Gillian (OPO)
**Cc:** Lazarus, Jordan (OPO)
**Subject:** RE: Auditor

Thanks and is TB making sure the panel can again be clear on this specific point both by statement from panel or its chair and through interviews this afternoon?

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**From:** Forgione, Andrew (OPO)
**Sent:** February-16-17 10:44 AM
**To:** Bevan, Andrew (OPO); Killorn, Bill (OPO); MacKenzie, Rebecca (OPO); Rowe, Mary (OPO); McEachern, Gillian (OPO)
**Cc:** Lazarus, Jordan (OPO)
**Subject:** Auditor

Here's her statement (below). We have a call with TBS shortly to revamp the statement and will circulate here. The panel explicitly said "there is no accounting standards requirement for any agreement to be in place specifying when and by how much contributions will be reduced for the government to record an asset beyond the agreements already in place (i.e. legislation and various plan documents)."

**News Release For Immediate Release February 16, 2017 Auditor General to Government: 'Show Me the Letter' (TORONTO)**

Ontario's Auditor General says the government's Pension Asset Advisory Panel Report supports her Office's main position: before the Province can use surpluses of two public pension plans, it must obtain agreement from the plans' co-sponsors. "The Province shares any pension surplus with OPSEU and the Ontario Teachers' Federation," Bonnie Lysyk said today.

"It's like a joint bank account that requires two signatures on every cheque. That's what we've been saying, and we are pleased to see the Panel saying the same thing."

The government claims the pension surplus is $10.7 billion, with the majority of that amount— $10.1 billion—associated with the Ontario Teachers' Pension Plan. The Province wants to use this increasing pension surplus to balance its budget. The Auditor says the Province does not need her permission to record that money on its books—but if it wants the Auditor's seal of approval in the form of a clean audit opinion on that issue, she will need to see a negotiated and signed agreement by the teachers and the government as evidence that there is an amount that should be recorded as a net pension asset on the government's financial statements.

"That money is for the benefit of employees and retirees, people who have paid in to be able to live a comfortable life in retirement," said the Auditor.

"So we need evidence of an agreement between the Ontario Teachers' Federation and the Province saying that the Province can use $10.1 billion. Once we have that letter of agreement, this Office could sign off and give a clean audit opinion on this issue. It's as simple as that."

The Auditor points out that the Ontario Teachers' Pension Plan has accounted for its pension as being in a liability position—not a surplus like the provincial government is claiming. She says this further supports her need for a written agreement between all parties that her Office can use as evidence.

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**Andrew Forgione**
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