

## Implementation Note: Independent Commission

### Commitment:

Launch an independent commission of inquiry whose mandate is to assess the deficit and to propose timely solutions to solving the deficit problem. As part of this effort, call in an outside audit of the previous government's management of Ontario's finances and make the final results of the audit public.

### Context:

- The 2018 Budget projected deficits over the medium term, beginning with \$6.7B in 2018-19, and a recovery plan that projected balance in 2024-25.
- The forecast assumed moderating revenue growth, primarily due to slower economic growth as well as decreases from time-limited non-tax revenues.
- Program spending was projected to increase significantly due to a number of new investments as well as demand pressures from existing programs.
  - The starting point for 2018-19 may be different than for the out-years as the fiscal year has already begun and funds have been committed, which impacts decisions about what programs can be initiated/suspended.
- The Auditor General's recommended accounting adjustments for the Fair Hydro Plan and two public sector pension plans were not reflected in the outlook.

### Implementation Requirements:

- The review could be done in number of ways:
  - Appointment of an Advisory Body/Special Advisor. Appointments would be well suited for assessing the fundamental framework and/or providing guidance to a more detailed review.
  - Procurement of consulting services. Consultants would be well suited for conducting a detailed review of all government spending and revenue, or investigating specific efficiency options that have been identified elsewhere.
- **Advisory panels** required for less than three years can be authorized under a statute and may be established through instruments such as an Order in Council or Minister's Order approved by Treasury Board/Management Board of Cabinet.
  - The mandate of an Advisory Body or Special Advisor is to provide advice or make recommendations to, and act on behalf of, the appointing authority (a Minister or the Premier).
  - Appointments of Advisory Bodies or Special Advisors are usually communicated publicly.
- **External consultants** could be procured through the Management Consulting Vendor of Record. This multi-stage process involves seeking approval to issue a Request for Services from the appropriate delegated authority (for example

based on the potential contract value), issuing the Request for Services, inviting qualified vendors to submit a proposal, evaluating responses and awarding work.

- External consultants are contracted by the public service. They report to the appropriate representative based on the governance model and act on behalf of the contracting authority.
- The process from issuing the Request for Services to the vendor beginning work takes at a minimum 12 weeks.
- Procured consulting services are not usually communicated publicly, but are subject to *Freedom of Information and Protection of Privacy Act* requirements.
- A public inquiry could also be undertaken through the Ministry of the Attorney General.
- A variety of existing reports, data inventories and financial and program performance information is available to support any type of review.
- Ontario Public Service staff could support an advisor or consultant in the collection, analysis and reporting of results, and by providing a central coordinating function to ensure recommendations are implemented.
  - This would minimize additional costs associated with the review and enable a faster and/or more thorough review.

#### **Implementation Plan:**

- Within 1 Month:
  - Confirm the immediate priorities of the review:
    - Evaluate baseline scenarios to validate the starting point for the government's fiscal plan;
    - Conduct an early review of accounting practices, including pensions and the fair hydro plan to inform public accounts; and/or
    - Assess programs to determine alignment with government priorities and identify opportunities for immediate savings.
- Within 2 Months:
  - Develop the baseline scenario and undertake an initial review of programs spending and revenues, starting with the newest ones first, to determine their alignment with government priorities.
- Within 4 months:
  - Identify opportunities where efficiencies exist to inform budget development for the next fiscal year, and consider the government's longer-term strategy for increasing fiscal accountability and ensuring value-for-money.
- Within 8 months:
  - As necessary, undertake more in-depth reviews of specific programs, in the context of the government's longer-term strategy.