

FYI: Transcript of Minister's post-QP scrum

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Sabrina Nanji: So, you know, can you give us a little bit of an update on where you stand right now with the Auditor General. I know that you guys have updated the unaudited version. So where do you stand on that.

Minister Sandals: Well, obviously we released the unaudited version of the accounts because we are past the deadline. The Financial Accountability Act actually calls on me to table the public accounts 180 days after the end of the fiscal year. The act means I need to table on the 27th. But the act also says that when I table Public Accounts, they must have an audit opinion from the Auditor General. And that was the conundrum that we were facing – was on one hand, there's a legislative requirement to table the accounts on the 27th of September. On the other hand I don't actually have an audit opinion. And that's why we tabled the financial statements, the unaudited financial statements, the annual report. Which has exactly the same financial information. I want to assure everyone that were I to table the Public Accounts, the only difference would be that I add an audit opinion. But the numbers would be the same. So I mean, I think the good news in all of this, and the reason that we wanted to get the information out into the public sphere is so that the public will understand that in fact we have beat our fiscal targets for the seventh year in a row. That while, at the time of 2015 budget, we were projecting an 8.5 billion dollar deficit, that even using the Auditor's numbers, and we're using the Auditor's numbers. Using the auditors numbers we actually have a 5 billion dollar deficit. That means, that even using the Auditor's numbers that we beat our deficit target by 3 and a half billion dollars. So we are actually on the path to balance.

Unidentified reporter: Has Treasury Board arranged a meeting with the Auditor General, other than yesterday morning, to talk about –

Minister: Well at this point we're awaiting her audit opinion, so I mean obviously we've released the Financial Statements. The financial statements, and the annual report, give all the information. So the information is already in the public venue. You can access everything that's in the financial statement. You can access, as can the general public, anything in the annual report. The only thing we're missing is the Auditor's audit opinion. And when we get that we'll table the public accounts. But they'll say –

Robert Benzie: Minister, when do you expect to have an opinion from her?

Minister: I honestly don't know.

Benzie: But when you get an opinion from her, wouldn't that clarify things so that – well, let's say, well, if her opinion says what the preliminary [inaudible] – but if her opinion's changed, the deficit is 3.5 billion dollars –

Minister: I honestly don't anticipate that there will be any change from what came yesterday. Because we did actually have, as I explained yesterday, we were in this very odd situation where the – where our professional staff, and we obviously think that our professional staff have high credibility, said you know what, here's the way things have been for 14 years. Here is what Auditors have used for 14 years, including the current Auditor in the last years. And our professional staff do it this way, and the Auditor said do it this way, and the way that Cabinet resolved the issue was to actually make a regulation saying that we would adopt the Auditor's numbers for 15/16. So we actually have a regulation saying we've got the Auditor's numbers for 15/16. So that's what the financial statements are going to say. So there won't be any change.

Benzie: What about the independent review of the accounting practice –

Minister: And that's what we need to sort out. We need to think a little bit about who would we want to engage to do that, what are the terms of reference, what are the questions we need to sort out. But obviously I think that's going to be a process that's going to take several months, which is why we didn't try to fit it into the time period where we're already overdue. We do expect it will take several months to sort it out. But we do need to – given the discrepancy of opinion – we do need to get some independent third party advice to help us sort this out. Because obviously we can't go forward with this disagreement. We need to sort it out and we'll get professional advice to do that.

Shawn Jeffords: How long do you think that will take?

Minister: I fully anticipate that this is something that will take a few months, at least, to sort out. Because when you start getting actuarial opinions, and legal opinions, and various people weigh in on how you should interpret the accounting standards. I don't think this is going to be a simple conversation. I think it is legitimately a very complex accounting issue and I expect it's going to take some months. And that's why we – as a cabinet – given these discrepancies in the professional opinion, we understood it was going to take a while to sort this out. We also understood that we didn't want uncertainty in the public with respect to what are the numbers. So we simply said at cabinet, adopt the Auditor's numbers for this year, get the financial information in the public. Because we want the public to know, what are the results for 15/16.

Nanji: Minister, the Auditor said yesterday in the manner that the government released the Public Accounts. Is this a sign that the relationship between the government and the Auditor is maybe a bit spoiled now, or going that way?

Minister: I wouldn't put it that way. We've certainly have been expressing to our officials, and directly to her, that from our point of view, because the legislated onus is on me to produce the accounts on time, that this was very urgent in our view. That we needed to produce the accounts. And we certainly made that very clear that there's some urgency for me.

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