FYI/Transcript: Minister with Allison Jones this AM

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Date: Tue, 14 Feb 2017 09:33:46 -0500

Jones: I'm curious about what happens now following the panel's report. Are we waiting to see what the Auditor says? Does it affect anything for the next set of books?

Minister: What we had said in the beginning is we were in this awkward situation where obviously the comptroller, the deputies, gave us one set of advice about how to account for pensions – that way we'd done it for 14 years. The auditor had a different set of numbers – a different approach to how we should account for the jointly sponsored pension funds. And we obviously set a regulation to resolve for last year's books but we said at the same time, that we were going to appoint an expert panel and the expert panel would look at what the public service had to say, look at what the auditor had to say, do an accounting analysis and provide advice. And obviously they have provided advice, they have said we should continue to do the accounting in the historic way – that a surplus should count as an asset on the province's books – and I did say yesterday that we would accept the panel's advice and that's how we will prepare the books going forward.

Jones: So what happens going forward if the Auditor still disagrees – you just came out with the unaudited statement before she signed off on them. Would you be forced to continue just doing that? Would she have to issue a qualified opinion? How doe sthat work?

Minister: You know what, there are so many things that go into the annual statements that we'll – you know, we're a long way from that. I'm very pleased that the auditor is having a detailed look at the report which was highly technical and if you look at it – it referenced a host of accounting standards, she's taking the time to look at that highly technical report. Quite frankly there's no need for her to – if she wishes to comment, she's quite free to do so, but she's obviously free to wait until we prepare this year's books. Which is obviously not going to be for a while because we're still in the current fiscal year. And look at the whole of the books and comment on it as she will – but that's up to her, and we understand that – but I am pleased that she said she's going to have a careful look at the report.

Jones: Neither side was technically bound by the panel's report, right? It was just advice?

Minister: Well we had always said that from the government's point of view was the process. Our public servants said you should continue to do the accounting the way that has been signed off on for the last 14 years, the auditor said no I want you to do it differently, and we have always said that the way to sort this out is we would appoint an expert panel and that we would follow their advice. Had they said we should follow the auditor's direction then that's what we would have done. We wanted some technical advice. And that's why we went to such ends to make sure that the chair of the panel, in particular, was a standards expert. If you look at Ms. O'Malley's background, she's actually served as the chair of the Canadian accounting standards board. She then went off to represent Canada on the international accounting standards board. She then came back and served again as the chair of Canada's accounting standards board. She's also served as the Canadian Actuarial Standards Board and once she retired – quasi-retired, she continued to actually chair the international accounting standards forum. So this is somebody who spent 20 years of making and interpreting accounting standards. And that's why we were so determined to have a panel that really had a lot of expertise in accounting standards and the subject matter.

Jones: Does the report end this dispute for you? Do you feel vindicated that they say you were right along?

Minister: I would just that I was very impressed with the thoroughness of their evaluation. It's a very technical report, it takes every issue that the comptroller raised, every issue that the Auditor General raised and it goes through it all from the point of view of a highly technical analysis. Where there was any ambiguity in the public sector accounting standards they then took the chair's expertise and fell back on the generally accepted accounting principles, the international accounting principles, for guidance. And I think they've actually made some recommendations for a couple of places where the public sector accounting board could be a little bit more clear in their direction. Which is great. Because clarity is good in accounting standards. But they really did an extraordinarily thorough job and I'm pleased with the thoroughness of the report from a technical point of view. Thanks!

Jones: Thank you.

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