

QP Briefing - Third-party review will not change AG opinion - Oct-5-2016 - Minister quoted

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MINISTER SANDALS QUOTES IN YELLOW SHADE

THIRD-PARTY REVIEW OF ONTARIO'S PUBLIC , WON'T SWAY AUDITOR GENERAL'S OPINION



A months-long, third-party audit of Ontario's financial statements for the last fiscal year may not be the charm to settle the pension spat between the government and the auditor general.

The government has [sought an independent reviewer](#) in order to clarify an accounting measure that adds or subtracts billions to the province's financial statement, depending on your vantage point. But it's unlikely to sway the auditor general's opinion.

"I as well have external advice that I seek prior to addressing a significant issue, so I'm really confident that we've done our homework and that we have it right," Bonnie Lysyk said following a closed session briefing at the standing committee on public accounts Wednesday.

"I have no vested interest in the outcome of this other than making sure it's right in accordance with public sector accounting standards...At this point I'm pretty confident that we got it right."

At issue is \$10.7 billion worth of assets from the Ontario Teachers' Pension Plan and the Ontario Public Service Employees' Union Pension Plan that the

province has since 2001 counted on the balance sheet. The auditor disagrees, saying that because the government cannot access the funds, the figure should be added to the net debt and annual deficit. The current public accounts have been tabled using the auditor's rubric, and show an annual deficit of \$5 billion for 2015-16 (whereas the government's numbers would have shown \$3.5 billion) and that the net debt is \$305.2 billion (compared to \$294.5 billion, per the government).

"I think they got it right on the bottom line," Lysyk noted, in reference to the unaudited version of the public accounts that was tabled Monday.

Treasury Board President Liz Sandals trumpeted that comment from the auditor general later that morning.

Sandals could not yet say how much an independent reviewer will cost, nor could she commit to accepting whatever conclusion the independent reviewer may come to.

"Well first of all let us get it set up. As we get it set up and as we get the terms of reference approved, we'll share that with you when we get it set up," Sandals told reporters, adding, "Given that quite different advice, we would at least like to get some external expert opinion to give us some guidance on how to permanently resolve this."

The pension tension fuelled the opposition parties in that morning's question period.

Progressive Conservative Leader Patrick Brown called the third-party review redundant and accused the government of cherry-picking expert advice.

"It's like someone looking for a second opinion, and keeps on looking for a second opinion until they get one that agrees with them," Brown said. "The auditor general is the third-party oversight. We can have debates here in question period, where the opposition can raise legitimate questions where the government may be wrong, but independent legislative officers have no partisan agenda."

NDP Leader Andrea Horwath was skeptical of the government's claim that there is no political motivation underlying the review.

"If it's going to mean that the Liberals are seen in a better light, or that they protect their own political well-being, they'll do anything. That's not appropriate," she said. "We have watchdogs that are doing work on behalf of the people of Ontario and the Liberals continue to try to discredit them. I have all confidence in the auditor general, in the work that she does on behalf of no political parties but on behalf of the people."

Lysyk added that she informed the government of her concerns over the pension assets in June. The government has said it received a written notice from the auditor general's office Sept. 13, two weeks before the legal deadline to table the public accounts.

The subject of Lysyk's committee appearance that morning was set weeks prior and dealt with Chapter 2 of her latest Annual Report, entitled Public Accounts of the Province - something she quipped was "ironic" given recent events.

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