Re: Draft PER response - AG will go out on Wed

From: "Bevan, Andrew (OPO)" <andrew.bevan@ontario.ca>
To: "Gallant, Gabrielle (OPO)" <gabrielle.gallant4@ontario.ca>, "MacKenzie, Rebecca (OPO)" <rebecca.mackenzie@ontario.ca>, "McEachern, Gillian (OPO)" <gillian.mceachern@ontario.ca>
Cc: "Killorn, Bill (OPO)" <bill.killorn@ontario.ca>, "Jancik, Mike (OPO)" <mike.jancik@ontario.ca>, "Bossin, Bryan (OPO)" <bryan.bossin@ontario.ca>
Date: Tue, 24 Apr 2018 17:01:51 -0400

Great

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Gallant, Gabrielle (OPO)
Sent: Tuesday, April 24, 2018 4:56 PM
To: Bevan, Andrew (OPO); MacKenzie, Rebecca (OPO); McEachern, Gillian (OPO)
Cc: Killorn, Bill (OPO); Jancik, Mike (OPO); Bossin, Bryan (OPO)
Subject: RE: Draft PER response - AG will go out on Wed

Hi there – heads up that FIN feels passionately about adding in this line which comes directly from the OAG, which I don't see any objection to:

"Overall, we concluded that the Pre-Election Report provides a reasonable and somewhat cautious underpinning for the medium-term fiscal forecasts"

From: Bevan, Andrew (OPO)
Sent: April 24, 2018 9:49 AM
To: Gallant, Gabrielle (OPO); MacKenzie, Rebecca (OPO); McEachern, Gillian (OPO)
Cc: Killorn, Bill (OPO); Jancik, Mike (OPO); Bossin, Bryan (OPO)
Subject: Re: Draft PER response - AG will go out on Wed

Thx. Pls change the word "things"

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Gallant, Gabrielle (OPO)
Sent: Tuesday, April 24, 2018 9:46 AM
To: Bevan, Andrew (OPO); MacKenzie, Rebecca (OPO); McEachern, Gillian (OPO)
Cc: Killorn, Bill (OPO); Jancik, Mike (OPO); Bossin, Bryan (OPO)
Subject: RE: Draft PER response - AG will go out on Wed

Hi there – thanks so much for this feedback. Changes below in red. I'll tell the MO's that it can be sent via press secs to the gallery but not posted on newsroom.

> We thank the Auditor General for her response to the Pre-Election Report. The Treasury Board Secretariat and Ministry of Finance work closely with the OAG on a wide variety of issues on a regular basis, and her oversight and insight is

welcomed both during our regular interactions and during the release of special reports, including this one.

Our government passed the Fiscal Transparency and Accountability Act in 2004. The Fiscal Transparency and Accountability Act is the only legislation of its type in the country and is reflective of our commitment to openness and transparency. Through the Pre-Election Report and the Office of the Auditor General's analysis, Ontarians are given the information they need to make an informed decision ahead of a provincial election.

The Pre-Election Report on Ontario's Finances presented the fiscal plan for 2018–19 to 2020–21 fiscal years. As verified by the Auditor General, Ontario's books are prepared in accordance with cautious assumptions that recognize the need for flexibility in the fiscal plan to respond to an ever changing world.

We know Ontario's economy has grown steadily in recent years, but we know that more must be done to encourage increased growth and create more jobs in an uncertain global economy. As we move forward, we must also ensure that the benefits from this growth are equally shared. The Ontario Liberal government has made a deliberate decision to invest in people – in things like high quality childcare, homecare, support for seniors and pharmacare, with OHIP+, for children, youth and seniors.

The OAG mentions two specific topics that represent ongoing conversations and technical accounting disputes between government and her office.

The government's position regarding the accounting of pension assets has long-since been supported by a panel of well-known experts, and we continue to acknowledge the appropriateness of the application of the United States Generally Accepted Accounting Principles when the Public Sector Accounting Board's standards are silent, as they are in this instance. The government's opinion on this matter has not changed.

Changes made to the IESO's accounting practices hinge on a technical disagreement regarding the agency's status as a rate regulated entity. As the change in the IESO's accounting practice has eliminated a second set of books that was previously kept, has brought greater transparency to $17b worth of transactions and furthermore is consistent with the accounting practices of the IESO's predecessor, the OPA, the government's opinion has not changed.

From: Bevan, Andrew (OPO)
Sent: April 24, 2018 7:53 AM
To: Gallant, Gabrielle (OPO); MacKenzie, Rebecca (OPO); McEachern, Gillian (OPO)
Cc: Killorn, Bill (OPO); Jancik, Mike (OPO)
Subject: Re: Draft PER response - AG will go out on Wed

Thanks.
It's our per not hers, right, in first sentence.
Don't think we should talk about hidden deficit so end first sentence second para at 2004
Par 4 change "things like"
That list shd be ordered as per research and include pharmacare and hone care seniors care
Para 6 after "silent" add: s they are in this instance. That's correct right?

Last para, it's not "transactions to light" which sounds as if something secret and nefarious was happening whereas this is more about transparency right?

Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Gallant, Gabrielle (OPO)
Sent: Monday, April 23, 2018 6:07 PM
To: Bevan, Andrew (OPO); MacKenzie, Rebecca (OPO); McEachern, Gillian (OPO)
Cc: Killorn, Bill (OPO)
Subject: FW: Draft PER response - AG will go out on Wed

Hi there – Bill's asked me to pass this on. Please see the statement below, which I recommend jointly issued by FIN and TBS ministers.

High level summary of the PER: overall, better than we expected. The three main issues are fair hydro, pension accounting and a slight overestimation of PIT revenue. The pieces on both fair hydro and pension accounting is same as before, so nothing new there. She says that the rest is cautious/ prudent.

From: Gallant, Gabrielle (OPO)
Sent: April 23, 2018 5:39 PM
To: Forgione, Andrew (OPO); Killorn, Bill (OPO)
Cc: Giroux Namian, Orli (MOF); Hadisi, Lawvin (TBS)
Subject: Draft PER response - AG will go out on Wed

Hi Forge and Bill – this is happening on Wednesday for sure. Please find a draft statement in response below. I recommend that this statement, once approved by all parties, be issued by both TBS and FIN. As an FYI, Pichelli and Min MacMahon are meeting with Bonnie tmw.

> We thank the Auditor General for her Pre-Election Report. The Treasury Board Secretariat and Ministry of Finance work closely with the OAG on a wide variety of issues on a regular basis, and her oversight and insight is welcomed both during our regular interactions and during the release of special reports, including this one.
>
> Our government passed the Fiscal Transparency and Accountability Act in 2004, after assuming office and learning that the Ontario Progressive Conservatives had left a hidden deficit. The Fiscal Transparency and Accountability Act is the only legislation of its type in the country and is reflective of our commitment to openness and transparency. Through the Pre-Election Report and the Office of the Auditor General's analysis, Ontarians are given the information they need to make an informed decision ahead of a provincial election.
>
> The Pre-Election Report on Ontario's Finances presented the fiscal plan for 2018–19 to 2020–21 fiscal years. As verified by the Auditor General, Ontario's books are prepared in accordance with cautious assumptions that recognize the need for flexibility in the fiscal plan to respond to an ever changing world.
>
> We know Ontario's economy has grown steadily in recent years, but we know that more must be done to encourage increased growth and create more jobs in an

uncertain global economy. As we move forward, we must also ensure that the benefits from this growth are equally shared. The Ontario Liberal government has made a deliberate decision to invest in people – in things like hospitals, mental health, long term care and child care across the province.

The OAG mentions two specific topics that represent ongoing conversations and technical accounting disputes between government and her office.

The government's position regarding the accounting of pension assets has long-since been supported by a panel of well-known experts, and we continue to acknowledge the appropriateness of the application of the United States Generally Accepted Accounting Principles when the Public Sector Accounting Board's standards are silent. The government's opinion on this matter has not changed.

Changes made to the IESO's accounting practices hinge on a technical disagreement regarding the agency's status as a rate regulated entity. As the change in the IESO's accounting practice has eliminated a second set of books that was previously kept, has brought $17b worth of transactions to light and furthermore is consistent with the accounting practices of the IESO's predecessor, the OPA, the government's opinion has not changed.

Gabrielle Gallant
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