Statement for Approval

From: "Hadisi, Lawvin (TBS)" <lawvin.hadisi@ontario.ca>
To: "Pichelli, Jason (TBS)" <jason.pichelli@ontario.ca>
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Hi – so the language has changed which may address your suggestion - I have highlighted it in yellow. If not feel free to make the change you want. We need to finalize so that it can go back through senior PO if necessary.

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.

The Fiscal Transparency and Accountability Act which our government passed in 2004, 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. Ontario's fiscal policy is based on prudent assumptions that recognize the need for flexibility during this period of rapid economic change. The Auditor General concluded overall that " the Pre-Election Report provides a reasonable and somewhat cautious underpinning for the medium-term fiscal forecasts."

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 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.

Lawvin Hadisi
Communications Advisor & Press Secretary
Office of the Honourable Eleanor McMahon
President of Treasury Board

Lawvin.Hadisi@ontario.ca | 416.326.3839| 437.772.7821