

RE: QP Monday

From: "Koukoulas, Sophia (MOF)" <sophia.koukoulas@ontario.ca>
To: "Charles Sousa, MPP" <charlessousa@liberal.ola.org>
Cc: "Sousa, Charles (MOF)" <charles.sousa@ontario.ca>
Date: Sun, 06 May 2018 15:09:39 -0400

I always check anyway! Thank you!

From: Charles Sousa, MPP [CharlesSousa@liberal.ola.org]
Sent: May 5, 2018 9:03 PM
To: Koukoulas, Sophia (MOF)
Cc: Sousa, Charles (MOF)
Subject: Re: QP Monday

You know I always say yes. :)

Charles Sousa, MPP
Minister of Finance, Ontario
Sent from my iPhone

On May 5, 2018, at 1:11 PM, Koukoulas, Sophia (MOF) <Sophia.Koukoulas@ontario.ca> wrote:

Hi Minister,

TBS is hoping you can cover for Minister McMahon for QP on Monday. Below is a summary of their top 3 issues at the moment. Can you let me know if you feel comfortable to cover?

Many thanks!
Sophia

From: Rubin, Jack (TBS)
Sent: May 4, 2018 2:26 PM
To: Koukoulas, Sophia (MOF)
Cc: Hadisi, Lawvin (TBS); Moore, Brynne (MOF)
Subject: TBS issues summary

Hi Sophia,

I will not assume that Minister Sousa is covering for Minister McMahon on Monday until you give me confirmation, but in the meantime here is some QP prep summaries and key messaging.

There are three issues below. The first one is in regards to a question that came up in the house on Wednesday.

The second and third ones are in regards to dissenting opinions included in SCOPA reports released this week. The opposition can use a dissenting opinion as a reason for asking a question in the house.

It's worth noting however that the opposition did not mention these dissenting opinions in QP this week... just being precautionary by including them as issues in this email.

1.) **Broader Public Sector Executive Compensation**

Issue Summary – Executive Compensation at Western University

Minister McMahon responded to a question by MPP Sattler regarding BPS Exec Comp on Wednesday during Question Period. The issue did not come up again during Thursday's QP. Please note that this is also a MAESD issue.

Faculty at Western University are opposing plans by the school to boost pay for 5 executives by a total of more than \$400,000.

The faculty is arguing that executive compensation increases should be capped at 3% instead of the 5% allowed by our government.

Western is justifying these proposed increases by comparing its executive salaries with those at national hospitals and universities with bigger budgets and higher international rankings.

Media Coverage

<http://lfpres.com/news/local-news/sattler-rips-liberals-for-letting-western-boost-executive-pay>

Key messaging:

- Our government froze salaries across the broader public sector in 2012.
- Those salaries will remain frozen until organizations submit a **compliant** framework.
- As a government, we need to strike a balance between attracting great talent and setting fair and reasonable compensation packages for BPS executives.
- If that balance is not achieved, salaries will remain frozen until

organizations submit a **compliant** framework.

- The government remains committed to ensuring fairness and accountability when it comes to executive compensation.
- That's why our framework enforces strict rules that prohibit executives from receiving unnecessary perks.
- To be clear – it is our expectation of the broader public sector that every dollar of public money should be spent with good intention and consideration
- We believe the people of Ontario have a right to know how their dollars are being spent and deserve a clear rationale for why executives are paid what they are.
- That's why we implemented the Broader Public Sector Executive Framework in September 2016.
- The framework requires enhanced transparency through the public posting of the executive compensation frameworks.
- So, Ontarians now have the opportunity to provide feedback on compliant frameworks.

2.) **Government Advertising (SCOPA Report – Dissenting Opinion)**

Issues Summary

On Tuesday, the Standing Committee On Public Accounts (SCOPA) posted their report on Government Advertising. The report included a **dissenting opinion** from members of the PC party.

In this opinion, the PC's concluded that SCOPA has **not** addressed the concerns that were raised by the Auditor General about government advertising in her 2016 annual report.

They are referring to the Auditor General's opinion that our government's 2015 amendments to the Government Advertising Act weakened her office's authority to ensure that public money is not spent on advertising that gives the government a partisan advantage.

She is basing this argument on the fact that our 2015 amendments clarify and

define what is meant by the term partisan by setting out legislated criteria.

SCOPA Report

[http://www.ontla.on.ca/committee-proceedings/committee-reports/files_html/Govt%20Advertising%20Final%20\(Posting\)%20English.htm](http://www.ontla.on.ca/committee-proceedings/committee-reports/files_html/Govt%20Advertising%20Final%20(Posting)%20English.htm)

Key Messaging

- Ontario is an international leader in government advertising oversight.
- Ontario remains the only jurisdiction in Canada to enact legislation that bans government-paid partisan advertising.
- We passed this historic legislation because we are against government using taxpayer dollars for partisan advertising.
- That was our position in 2004, and that is our position today.
- In 2015, we modernized the *Government Advertising Act* to give the Auditor General oversight of digital, transit and movie theater ads - something the AG has called for.
- The legislation was also amended to provide a clear definition of partisan advertising.
- This is to ensure that the partisan advertising we saw with the Harris government to attack teachers and health care workers **cannot be repeated**.
- Through our legislation we clarified what is meant by the term partisan by setting out clear objective, legislated criteria.
- We believe the Auditor General should continue to have oversight of government advertising to ensure that an independent third party confirms the standards have been met.

3.) Public Accounts (SCOPA Report Public Accounts)

Issues Summary

On Wednesday, the Standing Committee On Public Accounts (SCOPA) posted their report on the provinces Public Accounts. Like the government advertising report, this report also included a **dissenting opinion** from members of the PC party.

In this opinion, the PC's concluded that SCOPA has not given the Auditor General enough oversight of how our finances are accounted for.

The opinion recommends:

- Requiring all subordinate entities of the legislature whose financial statements impact the consolidated financial statement require approval from the Auditor General on the appointment of their auditor;
- Requiring that any subordinate body of the legislature that employs the same firm to both provide accounting advice and to be their auditor, seek approval to do so from the Auditor General
- That the Office of the Controller for the Province of Ontario should provide copies of all terms of reference to the Auditor General's office when other ministries or government agencies engage private sector firms for accounting advice or opinions.

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Scopa Report

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[http://www.ontla.on.ca/committee-proceedings/committee-reports/files_html/Public%20Accounts%20of%20the%20Province%20\(Final\)%20English.htm](http://www.ontla.on.ca/committee-proceedings/committee-reports/files_html/Public%20Accounts%20of%20the%20Province%20(Final)%20English.htm)
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Key Messaging:

- The province's financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS).
- The province has a strong track record of producing high-quality financial reports on a timely basis, and we will continue to move forward and present the province's finances fairly and accurately and in accordance with PSAS.
- The province has the utmost respect for all independent officers of the legislature, and we value the important and necessary perspective they bring
- The province is committed to providing clear and accurate financial reports that support transparency and accountability in reporting to the public and the legislature.
- The difference of opinion in accounting treatment on net pension assets

and the Fair Hydro Plan are longstanding disagreements.

- The issues in dispute are matter of technical accounting differences and professional opinion.
- The government's opinions on these two matters are well supported by internal and external experts.

Best regards,

Jack Rubin

Legislative Assistant & Issues Manager

Office of the Hon. Eleanor McMahon, MPP

President of the Treasury Board

Jack.Rubin@ontario.ca | Desk: (416) 327-0125