

AUDITOR GENERAL 2017 ANNUAL REPORT

December 5, 2017

Time / Location:

12:00 p.m. / Queen's Park Media Studio

Speakers:

Bonnie Lysyk, Auditor General of Ontario

Media Outlets:

Benzie – Toronto Star; Smith-Cross – QP Briefing; Hains – QP Briefing; Artuso – Toronto Sun; Smith – Queen's Park Today; Carter – Global News; Crawley – CBC;

Summary

- This report provides several important cautions about the government's recent changes on financial reporting.
- A theme throughout the value-for-money audits is the need to improve government oversight.
- Government wasted money in areas of healthcare and education which account for majority of government spending.
- Ontario's Independent Electricity System Operator oversight over power producers is lax, and has added hundreds of millions of dollars to hydro bills. Ratepayers are paying \$30 million dollars per year more for hydro than they should be. Power generators continue to game the system by claiming ineligible costs (staff parkas, scuba gear, landscaping, etc.)
- The Auditor General will be conducting a full audit of the IESO's financial statements. The OEB panel did their job and identified issues, but the IESO has not implemented these changes.
- The government's financial statements are unreliable – the government is concealing a deficit of up to \$4.5 billion in 2017-18 due to the Fair Hydro Plan. The most serious value-for-money issue this year is the government's accounting of the Fair Hydro Plan.
- The Industrial Conservation Initiative reduced charges for large industrial companies, but has increased charges (almost double) for small businesses and residents.
- Ontario spends \$19 million to maintain 800+ vacant buildings in the province's real estate portfolio.
- The government should keep the calendar in mind as it prepares the pre-election fiscal report, as the Auditor General needs to sign off on the province's financial statements before the election. She says the public needs time to digest the information and the government needs to file the report in time.
- 30% of government advertising was partisan. The government spent \$54 million on ads last year (a 10 year high).

Media Questions – full transcript to follow

N.B.: Comments captured are not verbatim quotes; a full transcript will follow

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