Our comments fall under the following continuing themes throughout the report:

- **Public Sector Accounting Standards (PSAS)**

  There are several references throughout the report that Ontario does not follow PSAS, which is incorrect as the province does follow PSAS.

- **Legislated Accounting**

  There are several references regarding Ontario legislating accounting, which is not accurate.

  For the 2015-16 Public Accounts, the government passed a time-limited regulation prescribing the accounting treatment for net pension assets in order to allow Treasury Board Secretariat and Ministry of Finance officials to sign off on Public Accounts consistent with the fiscal impact of the Auditor General's interpretation of Public Sector Accounting Standards (PSAS). This regulation is the only example of where the accounting treatment was legislated, and the legislation did not align with the requirements of PSAS.

  With respect to the Ontario Fair Hydro Plan Act and its regulations, there are no provisions in that legislation that prescribe the accounting treatment required to be followed by the Province. It is important to distinguish legislating the accounting from legislating the right of the government to recover amounts from specified ratepayers in the future, which in the absence of the legislation, would have been collected from specified ratepayers as the costs were incurred. The accounting for the transactions resulting from the Fair Hydro Plan will be recorded in accordance with PSAS.

- **Date of Public Accounts release**

  There are references throughout the report about Ontario releasing its Public Accounts nine months after year end, which is not accurate. Ontario tabled and released the 2016-17 Public Accounts on September 7, 2017. Please see the news release from September 7, 2017 for more details: https://news.ontario.ca/tbs/en/2017/09/ontario-releases-2016-17-public-accounts.html

- **Qualifications**

  There are some clarifications required regarding Ontario's qualified audit opinion. For example, on page 10, the report indicates "Ontario is guilty of legislating some aspects of PSAB accounting standards for some of its entities and it has received a qualified audit…"

  Ontario has not received a qualified audit regarding legislating accounting standards. The Auditor General's qualified opinion is based on a different interpretation of PSAS for net pension assets and recognition of the Independent Electricity System Operator's market accounts. For more details on the qualifications please see the AG's Independent Audit Report here: https://www.ontario.ca/page/public-accounts-2016-17-consolidated-financial-statements#section-0