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 Auditor General of Ontario 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 introduced the Fiscal Transparency and Accountability Act in 2004, which sets out the principles governing fiscal planning and public reporting requirements in Ontario. The Act is reflective of our commitment to openness and transparency. Through the Pre-Election Report and the Office of the Auditor General's (OAG's) analysis, Ontarians are given the information they need to make an informed decision ahead of a provincial election.

The 2018 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, the majority of the province's estimates regarding revenue, program expenses and interest on debt are based on prudent and cautious assumptions, as required by the Fiscal Transparency and Accountability Act. Ontario's fiscal policy also recognizes the need for flexibility to respond to an ever changing world.

Commented [MA(1]: Revised to capture the two issues in dispute, to ensure the language about the AG's findings is not presented in a way that could be misleading.

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 Auditor General mentions two specific topics that represent technical accounting disputes between government and her office.

The government's position regarding the accounting for net pension assets of the Province's two jointly sponsored pension plans is supported by a panel of well-known experts, and we continue to believe the application of the United States Generally Accepted Accounting Principles on the topic of rate-regulated accounting is appropriate as the Public Sector Accounting Board's standards are silent. The government's opinion on these matters 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.~~

Commented [MA(2]: This paragraph appears to confuse market accounts and global adjustment refinancing. OPCD notes that, as written, it is factually incorrect.