Options for Key OPCD Messaging in FES

Transparency and Accountability

The government continues to demonstrate its strong commitment to fully transparent financial reporting, which is a key element to delivering on accountability for the use of public funds.

Pensions reporting

In preparing the Public Accounts for 2015-16, the Province's professional accounting staff and the Auditor General's Office engaged in discussions about the appropriate application of the Public Sector Accounting Board's standards (PSAB) in relation to pension accounting for the Province's jointly sponsored pension plans.

After careful consideration, the government adopted the Auditor General's fiscal interpretation for the treatment of jointly sponsored pension assets for 2015-16. In order to comply with the interpretation, a time-limited regulatory amendment was required to change the accounting treatment for the 2015-16 Public Accounts. The impact of the change resulted in an additional $10.7 billion being added to the net debt and accumulated deficit and increase in the annual deficit to $1.5 billion for 2015-16.

The government has established an [expert advisory panel on pension assets – name tbc] to provide independent advice on the application of public sector accounting standards to Ontario's pension assets. Panel members will also provide advice on how to value pension assets reported on the Province's books, taking into account future decisions which might be made by the plan's sponsor or sponsors. The report is expected later this year.

The panel's recommendations are expected by the end of this year, and will be made public.

Rate-regulated accounting

The PSAB standards for financial reporting by Hydro One Limited and Ontario Power Generation Inc., as government business enterprises, include that, as of January 1, 2015, these entities are to prepare financial statements for consolidation purposes on the basis of International Financial Reporting Standards (IFRS). For 2015-16, the province consolidated these entities on the same basis on which they report their stand-alone financial reports, which resulted in that year in Income from Investment in GBEs being $34 million higher than it would otherwise have been. The province continues to analyse the impact of this difference in accounting standards, in order to inform future decisions as to how best to support fully transparent financial reporting.

the implementation, as of January 1, 2015, of a requirement for are that