SCOPA Materials – Edits for Feb 26, 2018

Deputy's Remarks

Pre-Election Report

- And finally, speaking to the Pre-Election Report –
- On February 26, 2018, the government posted a regulation under the *Fiscal Transparency and Accountability Act, 2004*, that requires the government to issue a pre-election report on Ontario's finances.
- The purpose of the pre-election report is to outline the province's estimated revenues and expenses and other details of the fiscal plan before the start of the provincial election.
- The Ministry of Finance and Treasury Board Secretariat are responsible for releasing the report, which must include the following information, updated from the most recent fiscal plan:
    - The macroeconomic forecasts and assumptions that were used to prepare the fiscal plan and any significant differences from those forecasts and assumptions;
    - An estimate of Ontario's revenues and expenses, including estimates of the major components of those revenues and expenses;
    - Details of the reserve; and
    - Information about the ratio of provincial debt to Ontario's gross domestic product.
- The government intends to release the pre-election report concurrently with the 2018 Budget.
- Both the 2018 Budget and pre-election report will be available to the Office of the Auditor General for review in the coming weeks.
- Either Deputy Thompson or I would be pleased to answer questions regarding the report.

TBS Comprehensive QAs

AG Recommendation #3: OFHP Accounting

1. **Why didn't you engage the Auditor General earlier regarding the accounting issues with Ontario's Fair Hydro Plan?**

   Suggest we talk about the process for policy decision making – this had to be landed first before officials could opine on implications. In developing Ontario's Fair Hydro Plan (OFHP), the government considered a range of implementation options and consulted with legal, accounting, financial and energy sector third-party experts to provide advice and ensure due diligence was completed. (leaves an open q as to why AG wasn't among those consulted)

   OFHP operates under a financial and accounting framework that is appropriate for the intended purpose. It is in accordance with Public Sector Accounting Standards (PSAS) and ensures the goals underlying the program are achieved in a cost-effective manner.

   For this issue, like any other, the province's professional staff exercises judgment in applying the standards and as necessary, consult with external experts and advisors.

   Is there an authoritative reference for when accounting experts are obliged to share information with the AG? The province's professional staff provide the Office of the Auditor General with their written analysis on all significant issues that impact the financial statements for the year being audited, and they discuss the issues with the Office of the Auditor General. The province is committed to working with the Office of the Auditor General to discuss issues, once the professional staff has completed its analysis of the issues.

   For further questions on OFHP, I will pass it over to my colleagues at the Ministry of Energy.

AG Recommendation #10: Pre-Election Report on Ontario's Finances

Key Messages

- On February 26, 2018, the government posted a regulation under the Fiscal Transparency and Accountability Act, 2004, that requires the government to issue a pre-election report on Ontario's finances.
- The purpose of the pre-election report is to outline the province's estimated revenues and expenses and other details of the fiscal plan before the start of the provincial election.

- The Ministry of Finance and Treasury Board Secretariat are responsible for releasing the report, which must include the following information, updated from the most recent fiscal plan:
    - The macroeconomic forecasts and assumptions that were used to prepare the fiscal plan and any significant differences from those forecasts and assumptions;
    - An estimate of Ontario's revenues and expenses, including estimates of the major components of those revenues and expenses;
    - Details of the reserve; and
    - Information about the ratio of provincial debt to Ontario's gross domestic product.
- The government intends to release the pre-election report concurrently with the 2018 Budget.
- Both the 2018 Budget and pre-election report will be available to the Office of the Auditor General for review in the coming weeks.

For QAs related to:	See:
Pre-Election Report	Ministry of Finance (Joint lead with Treasury Board Secretariat)

1. When will the pre-election report be released?

On February 26, 2018, the government posted a regulation under the Fiscal Transparency and Accountability Act, 2004, that requires the government to issue a pre-election report on Ontario's finances.

The government intends to release the pre-election report concurrently with the 2018 Budget. Both the 2018 Budget and pre-election report will be available to the Office of the Auditor General for review in the coming weeks.

2. What will be included in the pre-election report?

The purpose of the pre-election report is to outline the province's estimated revenues and expenses and other details of the fiscal plan before the start of the provincial election.

The Ministry of Finance and Treasury Board Secretariat are responsible for releasing the report, which must include the following information, updated from the most recent fiscal plan:

- The macroeconomic forecasts and assumptions that were used to prepare the fiscal plan and any significant differences from those forecasts and assumptions;

- An estimate of Ontario's revenues and expenses, including estimates of the major components of those revenues and expenses;
- Details of the reserve; and
- Information about the ratio of provincial debt to Ontario's gross domestic product.

3. The Auditor General signalled her readiness to work with the government to examine the pre-election report. Why did the government wait so long to engage with the Auditor?

Staff of Treasury Board Secretariat and the Ministry of Finance had already begun working with their colleagues in the Office of the Auditor General to engage in planning and preparatory work for the development and review of a Pre-Election report, in preparation, should a regulation under the Fiscal Transparency and Accountability Act, 2004, have been filed.

On February 26, 2018, the government posted a regulation under the Fiscal Transparency and Accountability Act, 2004, that requires the government to issue a pre-election report on Ontario's finances.

The government intends to release the pre-election report concurrently with the 2018 Budget. Both the 2018 Budget and pre-election report will be available to the Auditor for review in the coming weeks.

The province continues to engage all officers of the legislature to keep them informed and engage constructively on considerations and approaches to ensure the people of Ontario are provided with an independent review of the Province's fiscal position in advance of the election.

(Check with program area) Can we say that while a decision on release of PER was being discussed, ministry officials have been working on information to provide the AG/ or can we say that we have provide the AG with as much information as possible to facilitate a timely review?