

Summary Status Table in Response to the Report of the Auditor General of Ontario

2017 Annual Report of the Auditor General

Chapter 2: Public Accounts of the Province

Section 5: The Roles of the Group Auditor and the Component Auditor

Independent Electricity System Operator

Auditor's Recommendation	Completed Undertaking	Outstanding undertaking (including timeline)
<i>Recommendation #5: We recommend that the Independent Electricity System Operator (IESO), an "other government organization," use the Canadian Public Sector Accounting Standards (PSAS) in the preparation of its financial statements. Specifically, it should:</i> • <i>Remove market accounts recorded on its financial statements; and</i> • <i>Discontinue the inappropriate use of rate-regulated accounting in the preparation of its financial statements.</i> <i>To ensure that the members of the Legislative Assembly receive financial information on the operations of the IESO prepared in accordance with Canadian PSAS, the Office of the Auditor General will conduct an attest audit of the December 31, 2017, financial statements of the IESO as permitted under the Electricity Act, Subsection 25.2(2), which states: "The Auditor General may audit the accounts and transactions of the IESO. 2014, c.7, Sched. 7, s. 3 (1)."</i>	• The IESO has engaged an external accounting firm to undertake an audit of its accounts and transactions for the year ending December 31, 2017. • The IESO will continue to regularly review its accounting policies to ensure they are best suited to the reporting requirements of its business and the users of its financial statements. • The IESO recognizes the Auditor General's statutory role and authority to perform an audit of the IESO. • The IESO is cooperating with the Office of the Auditor General to provide information, including the 2017 financial statements prepared by management, and for access to management for assistance in understanding such information. The IESO has likewise instructed its audit partner to cooperate with the Auditor General's audit.	• The IESO will report on the results of its accounting firm's audit in its 2017 financial statements, to be published March 30, 2018.