

statements.

GhfwN/WPMSCPKSWTfb

McahPhTbcvTaTfbX

TabbTaeRPaPabPfaPhUa PhTt

recipients.

GRaTeKfbcWTARcWWT

aeRbPfaTAcPfbbrP\$

CWTAADAPCTRfWcWT

ARcXtbTtWWTBcTSPN

statements.

EWTRaTfbcWPcTRcKgaPaXah

ARcPRbcWTvTaTfSAZaXPHI

report to the Lieutenant Governor in Council on

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The Province's 2006/07 Consolidated Financial Statements

The Auditor General Act requires that I report

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of Ontario

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EnaPaX
Hsts&

Jim McCarter, CA
EnaPaX
Hsts&

Enhancing Transparency in Financial Reporting

6VPRXYcaPbPaTrhXoPRXPtAcXVxb
XacPtcbaTYcWTQXRPRRdPOXXchUa
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2007 Pre-Election Report on Ontario's Finances.
The Fiscal Transparency and Accountability Act,
2004 RcaTdXtPbPvacMPCV
Minister of Finance release a report on Ontario's

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Ontario's Finances&MTPa•

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 for comparative purposes.

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 Integration Act, 20062RcEVAtpaTru9B
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 fWVAPNPaTPHKBtGTaRBT

Accountability Relating to Year-end Spending

recent reviews of the 2007 Pre-Election Report on Ontario's Finances
 TgaTbbTSRRTabaTPaSMWtaTfb
 DTNWRPRRdPQRfab
 aTPcMTPa T\$bT\$X
 EVKahZPRTWgPKScWeta
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 aSToRtbcKcTbTeTPScVWtaTfb
 obRPPdSPcTSaTWPahP\$VWV
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 PcTXSKcTRbcaTbbdaTb†
 jsMfbcdRXXbU
 TTPSPCUBAcATPfcT
 TgMcRSPCUBX
 MfbcadaPP\$bRR^
 dXbaePaabMfbcadRcdaTaYRcb

sector components.

wise have been the case.

WKT Pah PCWTca PhUa PhTcbfTaT
 RScARc PaXbfWfWVW
 cWTae KWpbWPCXPcWVX..
 WWTaXhRbTbAPPA
 PaebMTaTaTSTK
 PcTSThaTcWPccWTcaPhUabfM
 KScTTghKcWTPaWtr...
 scbRTPa TFWCwWbbDU
 RaXcPcaTcWPccWPbj
 RNPWTaTcb
 oPncPcTYbbKcWThTPa TfaPhUab
 PaTPaTSPRfWVYaPh
 PRcTSMb.

One theme that has become apparent is that the

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 STaPcKcWTcPbZRWVPR
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The Government Reporting Entity

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RfVtXfXcbatcXVfTfXchd\$TacWxb]f
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U7XPRfXfbcahfVXRWWPbTaPafTbXQX["
XchUacWtaTPaPcXfCWtRfDfSPcTSoPRXP[
statements. In our 2006 Annual ReportTfTS
a number of instances where improvements to the
eTaTfRfcaRfbbfTaTTTSSTPQ
cWTWtaTfcbPCTTcXRU
aVPWtCfXfbbboP\$TacX
EWdhTPafTfTfBQaEtfTfcb
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Stranded Debt of the Electricity Sector

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 T]RcaXRXchbTRcaP\$ScWTVeTaTcbTUUacbc^
 aTcXaTcWTbcaP\$TSSTQcUcWT\$PaX9hSa^
 JbbT]RTbcaP\$TSSTQcaTUTabccWTPaU
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 VeTaT]RRQSTSRd\$]Q]TbTaeXRTSX]P
 R]XcXeT]T]XaT]Uc]VcWTaTbcadRcda " "
 XVUcWTT]RcaXRXchbTRcaPaXfizz2ccWT
 cX]cWTVeTaTcb]ccWT\$PaX9hSa^
 XcbTeTaP]fRR]X]bXR]Q]SXV]PaX^
 A]T]a8T]aPcX9hSa]P\$ScWT]PaX^
 6]RcaXRXch7X]PRXP]a]PcX]4fWXRW
 XbaTb]XQ]Ua]R]PVX]VP\$PhXV]Sf]cWT

Figure 1: Electricity Sector Stranded Debt, April 1, 1999–2006/07

Source of data: Ontario Electricity Financial Corporation

Fiscal Year End	(\$ billion)
	19.4
	20.0
	20.0
	20.1
	20.2
	20.6
	20.4
	19.3
	18.3

revision of economic assumptions about Ontario's

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 EcaPcTTrc.WTaTfpPbPbMRt
 aTbWTPBcaPSSCK
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 PaMTaSTaPcMSEPR
 RCPTEKcWTObrhTPaTSS
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Accounting for Tangible Capital Assets

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 VeTaTcPpRXPcPcTqbfXaTRTc

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 fTShfPaXbbRWQPaSbP\$brWf
 PdcWAXcXTb2bPaTbdEJccPYXQTRPXcPXiTbc
 XcbXfWXbbTRcaUjvQXfPaTf
 aTpTRcTSXfWTaeXRTbRDXSPcTSofPRXP[
 bcPcTfcb3PbTSfaaTeXTfUcWTaYTRcP\$

facilitate this process.

New and Proposed Accounting Standards

2RRdXVbcP\$PaSbbIRXUhwfcaPbPRcXDP\$
 cWTaTeTfbPaTaTRVXiTSXpbdatsaTbTfTS...
 P\$SXbRDTSXVefatXcoPRXPfcPcTfcb•
 EWTQYTRcXeTObdRWbcp\$PaSbXbcNccWTJTSb
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 PRRdXPOXfchP\$STRXbXfZXV•
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 442XbP\$TfTfQShfXcWcWTPdcWAXch
 cbTcPRRdXVbcP\$PaSbUacWTdQXRbTRcaX]
 4P\$P\$P\$P\$ZbcbTaeTcWTdQXRXfTaTbcQh
 aeXSVVdXSPRTUaofPRXPfcWtaTaUa\
 PRTXUaRcXfTfTcTSQhcWTdQXRbTRcaEWT
 VeTaTfUcPaXaTPaTbXcbRDXSPcTS
 oPRXPfcPcTfcbXPRRASPRTfXcWAD23
 bcP\$PaSb•
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EWT442TRPbbXoTboPRXPtTAcXVTtX"
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 PQITtTaaXbTbaaXePcTtTaaXbTbP\$
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 cWPcoPRXP["aTAcXVbcP\$PaSbUadQXRh
 accountable enterprises conform to international
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 tTaPcKMcP\$BaS\$BaS\$
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 QMPtTaPhhrsfrPEtAfWW
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 AccountingPaTgTRcTScQXTKPF7CD
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 aTRaSPVatTPbTSPghdaT5PtabK
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 cMaTtKbbTtTaaXtbP\$
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 the near future.

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 UaTXVtgrWPVtUafPaSRtaPRcbbfPh...

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 PTPahscWT442RRdtXYDcP\$PaSb
 3PaSPaetScWaTtTf9P\$QZbTRcXt
 atPcXVcbdrWPRcXeXcTb, *Financial Instruments,*
Comprehensive IncomeP\$ Hedges. While these are
 aPcTbTbaPcP\$Ba\$P\$TatTcbPaTt
 HaTtHaTtSPhcWtTtTK
 P\$PbaTtTaeMkCwThTbcP\$WcWTh
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 MTEaTabTtXt
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 KcadTtbcK\$PcXt
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 P\$KbP\$atTtP\$ZP
 PRaWTtWPaPRtAcK\$WtaTtcb
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 TPbaTbcP\$KtTtTtTaTtK

tain circumstances allow for the revaluation impact

WTTPHbaHaSocWThTPacQ
NcTbTWTWbTccRU
WTNaPbPbX

PiPahs(AD23PaetSPJfbcP\$PaS
DVTXcSXBRdaTbaTdXaXVVeTaJcb^
SToJcWTQdbXJbbTVJbcWThPaTXP\$ca^
eXSTPQOTaUbdITkPahoPRXP\$XbR^
bdaTbUacWTbTbTVJbEWbTSXBRdaTbXRQST
cWTVeTaJcaTeTbTbP\$TgTbTbPccaXQdcPQI
cTPRWbTVJcEWXbaYTRcPaBtQTRPdbTQR^
RTaPQdcccWTTeTQPVVaTVPcXVVeTaJc
bdRahopPRXPcPcTcbPacXRdPaHfXcWcWT
aTRTcTgPbXbXcWTaTcXVYtXchd\$TacWT
aTeXbTSaTcXVYtXchbcP\$PaSP\$CWtaTSdRTS
TeTOSTcPXcWPCrhQTaeXSTSFWTcWTbT
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QPbXbEWbTbcP\$PaSPJcbobRPfTPabQTVXVY
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faZVYTeXbXVXcbbcP\$PaSVeTaJc
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Assistance Provided by the Ontario Internal Audit Division

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 FinancesHTaTdTbcTScMbbXPRTRPdbT
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 faXTPcMMPVTPSfWVta
 cVMTpab•

Other Matter

F\$TabTRcXf0cWT Auditor General Act, I am
 aTATSaTacPhDTRPhaPfbP\$
 EaTPbalhBasSabbobdWThTPaJ
 P\$TTCWT Legislative Assembly Act
 aTbcWPcaTacPhcaPbUabTh
 between items within the same vote in the Esti"
 RcTbcWTCRCWTfMpcXbTbTQ

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 PcdadccXVPaVaPQh aVaPQPbXb...
 TPRWXhbcabbT\$XVabPPEWTDcP\$XY

Committee on Estimates (Committee) reviews
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 PaTSYTSQpbbTbQWTCITTP\$
 PaTaTactBbbWccWTfMpcdTcaSabb
 RaTRRTPWcWTTbcKcTbaTactT\$
 QcWTACTTPaTSQcTbWTfMpcdTU
 PRQWattWabP\$WTcCT\$
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 estimates. Once the Supply ActPaTScW
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 QcTS2aaPcMEW Supply ActTacPK
 ccVubRPhTPaT\$TSPaRhwKTRTAS
 ChPpbbTTPaXsk

The Supply ActChRPhPbbTSdPRTa
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 aVPhaTdaXTaM\$PaPaX
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 PhTqbbXTPbMNTaMdh•

7acVubRPhTPaT\$TSPaRhwK
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 P\$cVSPcTbcPvcWbTaTPMTTScQ
 cVfMpcdaTfTaTPbbB,

2aKcATfPbbTS
 BRTQartsf†
 dhrs(BRTQatrsfPbbTS
 dTsrst\$
 PqPahrsPaRhwKpbbTS
 BRTQausfv

U\$XDUaXqTaXhdhRPQTPaETS
 QTRPdbTUaXbcPRTcWTFVXbPcdatXbQX]
 bTbbXDRcXQcWT Treasury Board Act, 1991
 PfbacWTMhRDTPhaPfbPcWVa
 XWTFaMgPaTbafWwCWTaT
 MpaPcKcWTfMpcdTaaFWw

DTRcWT Treasury Board Act, 1991 allows

cWTEaTPbalhBaSRZPaSaPcWanX
 TgPaTbcbTTcWTPPH
 GcTsaKcWVPCbMOM
 KcEWTaSaRQPSaEaSWPccWT
 PncWTkTPbTMDtcPaTbX
 aTgPaTbcbQMaS
 cWtaGcTsaKcMubTcWT
 obRhTPaEWTaSaRhQSPcPhcX
 QcTcWTcWWTaTcPaN
 cWtoRbTPaPaTTEFWTPbcEaTPbalhBaS
 aSaKcWtoRbTPaTsaWtrsb

DTRcWT Treasury Board Act,
 1991PbcVEaTPbdahBaScSTTCc^
 PhTcaVgTRdcA4RcPh
 dPa ePcTTSd\$TacV Public Service of
 Ontario Act, 2006,PhTcaShan

cWTBabURcPcMSTATTcb
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 PaKcMabPbTTS
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 PaKcMcahMDTcP
 aTcWTPPcPePcHaPa^
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 KtbRacTbEaTPbalhBaSabaWT
 obRbTPaTsaWtrsbWb
 acWTDcPcSabcWTEK
 PcTcTcPaTPbalhBaSabaPaTc^
 QaKc The Ontario GazettecTcVcW
 TgPcahaPcSTabMbdTsaW
 sbRbTPaTtaTgTRcTScQcTS
 in The Ontario GazettecTcVcW
 KcWTEaTPbdahBaScSTabbW
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 6gPaTc

Figure 2: Total Value of Treasury Board Orders Issued, 2002/03–2006/07 (\$ million)

Source of data: Treasury Board

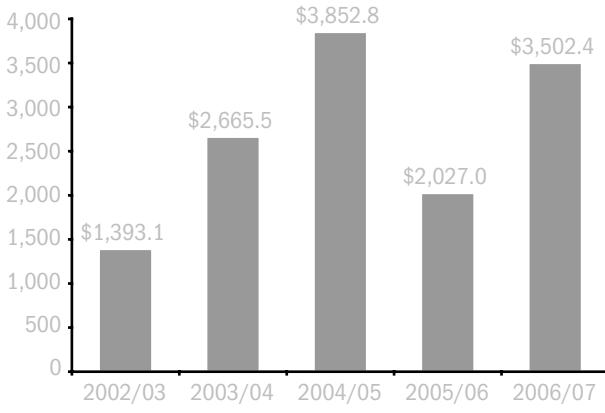


Figure 3: Treasury Board Orders by Month of Issue, 2006/07

Source of data: Treasury Board

Month of Issue	#	Authorized (\$)
	102	1,413,853,200
	53	1,941,415,900
	14	37,165,200
	1	10,000,000
	2	100,000,000
Total	172	3,502,434,300

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fXcWXjWTbPKGcTbTRCjTUCWT
Assembly ActaTdXtbcPvRZbTRRtjN
cVvaPbTcaK2jIPCTAc•

HxVvBTRccVvcbKcTbcV
UaPbTafPbRSTfVtst,

F\$TabTRcXjUCWT *Financial Administration Act,*
the Lieutenant Governor in Council, on the recom”
TbCjWTkTaKRRhPcWa
XpPcSa ~~ESTcTb~~WTPb
PhPncWTafWPcXSTTP
TbEWTpCSTcTcWTPb
SjMhobRjTPaPaTcCaTatXWT
Public Accounts.

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bxKcWTafjNpS
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hNjEWtbcMRU
cWTbTfaXTbTat,

”
Legislative

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MREPaTcWTPcW
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WvMREPaTR&PcU
HacWTDcMfDdcAaVstfwhwK
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WvMREPaTR&PcU
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cWTTbcKTR&PcU
aTR&PcUjPbEMcWTbT
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cWTPbTaTcSa
approval.