



Office of the Auditor General of Ontario
Bureau de la vérificatrice générale de l'Ontario

Public Accounts of the Province

2015 Annual Report, Chapter 2

Background

- Each year, Ministry of Finance and Treasury Board prepare Ontario's Public Accounts, consisting of province's Annual Report (including its consolidated financial statements), and 3 supplementary volumes of additional financial information
- Office of the Auditor General audits consolidated financial statements, and this audit report is included in province's Annual Report
- Office of the Auditor General also reviews other information in province's Annual Report and in supplementary volumes for consistency with information presented in consolidated financial statements



Audit Objective

- Obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement



Overall Conclusions

- Province's consolidated financial statements present fairly, in all material respects, the consolidated financial position of Ontario as at March 31, 2015
- Province's Annual Deficit in 2014/15 was \$10.3 billion, down from \$10.5 billion the previous year
- Province's net in 2014/15 was \$284.6 billion, up from \$267.2 billion the previous year



Specific Findings

- Main contributors to net debt in recent years include large deficits and investments in capital assets
- Government has not provided details about how it plans to reduce provincial debt
- Annual Report provides useful information on province's financial-management principles but further disclosures could improve Report
- Law to partially privatize Hydro One removes Auditor General's oversight even though province will have effective control for many years into future



Recommendations

- Government should work to develop a long-term total-debt reduction plan linked to its target of reducing net-debt-to-GDP ratio to pre-recession level of 27%
- Government should consider guidance in PSAB's Statements of Recommended Practices in preparing its Financial Statement Discussion and Analysis for its Annual Report



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