

December 14, 2015

Mr. Scott Thompson
Deputy Minister, Ministry of Finance
Frost Building South
4th Floor
7 Queen's Park Crescent
Toronto, ON M7A1Y7

Dear Mr. Thompson:

My mandate as Financial Accountability Officer is to provide the Legislative Assembly with independent analysis of the state of the province's finances, including the budget, estimates, and the financial impact of public bills and policy proposals.

I am currently undertaking analysis under paragraph 10(1)(a) of the Financial Accountability Officer Act, 2013, which allows the Officer, "to provide, on his or her own initiative, an independent analysis to the Assembly about the state of the Province's finances, including the budget, and trends and the provincial or national economies".

As I explained in my letter of November 17, 2015, the analysis focuses on estimating the fiscal impact of the Program Review, Renewal and Transformation (PRRT) initiative. You will find, enclosed with this letter, a brief note that provides an overview of the key aspects of this project.

I request that your ministry provide me with the following information, which I consider to be necessary to perform my duties under the Act, as required by subsection 12(1) of the Act:

- The methodology used to incorporate PRRT savings in the government's current and anticipated fiscal position.
In the 2015 Budget Plan (page 289), the PRRT savings target for 2015-16 was incorporated in the expense outlook as a general item. How will the savings be included in the government's expenditure profile once they materialize? For

example, is the amount going to be re-allocated on a ministry basis, program basis, or in any other way when preparing the government's financial statements?

- Are the savings targets accounted for in their entirety? If not, please provide details about the prudence factor included in the final numbers.
As a result of uncertainty, savings targets may not fully materialize. Given this and the history of past program reviews, does the government record the full amount of targeted savings in its anticipated financial position? If not, how does the government account for the risk of missing its savings target?

I would appreciate it if you could provide this information by January 11, 2016.

Should you or your staff have any questions about the information request, I would ask that you contact the project manager, Diarra Sourang, who can be contacted directly at dsourang@fao-on.org or by phone at 647-528-0180.

I would you like to thank you for your assistance in this matter. My primary objective is to provide timely and relevant analysis to the Legislative Assembly.

My ability to do so depends on your providing me free and timely access to the information held by your ministry that I need to fulfill my mandate. By providing me with this information, you are assisting me in better serving all Members of Provincial Parliament.

Sincerely,

Original signed by

Stephen LeClair
Financial Accountability Officer

Enclosure:
FAO Backgrounder – PRRT Fiscal Impact