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January 15, 2016

Mr. Stephen LeClair
Financial Accountability Officer
Financial Accountability Office of Ontario
2 Bloor Street West
Suite 900
Toronto, Ontario, M4W 3E2

Dear Mr. LeClair,

Thank you for your letters dated December 14, 2015, regarding the Financial Accountability Office's (FAO) plan to conduct "*analysis focus[ing] on estimating the fiscal impact of the Program Review, Renewal and Transformation (PRRT) initiative*".

The Ministry of Finance and the Treasury Board Secretariat are fully committed to assisting your office with respect to the matters under consideration. The Honourable Deb Matthews, President of the Treasury Board, would also be pleased to meet with you in the coming weeks to discuss the government's approach to PRRT. A member of her staff will reach out to you to find a suitable time for this discussion.

In the December 14, 2015 letters, you posed a series of questions regarding the Program Review, Renewal and Transformation (PRRT) process and its outcomes. Officials from our Ministries met with your office on January 8, to get a better understanding of this project and how we can best support the Office of the FAO as it undertakes its analysis.

As per our staff's January 8, 2016 conversation with Mr. Harrison, we have prepared responses for the 2014-15 program review savings target and the 2015-16 PRRT process, which corresponds to the 2015 Budget plan. Treasury Board Secretariat and Ministry of Finance staff would be happy to meet with your office to discuss the materials accompanying this letter and to continue the conversation started at the initial meeting.

In general, there are three elements of PRRT that the government is particularly focused on. First, PRRT is a vehicle to modernize government over time, focusing on evidence, performance, and ultimately on achieving better outcomes. Second, it serves as the government's expenditure management process. Introduced in November 2014, it replaced Results-Based Planning, introducing a renewed focus on controlling spending growth and better assessing programs, identifying outcomes and encouraging horizontal collaboration. Finally, PRRT is the process through which the government identifies specific savings strategies and transformational initiatives that can support the path to a balanced budget and better government.

The Ministry of Finance and the Treasury Board Secretariat acknowledge the important role played by your office in providing independent analysis on the state of the Province's finances, and we look forward to ensuring that you receive the appropriate level of support from our officials for you to complete your analysis in this area.

Sincerely,



Greg Orenacsak
Deputy Minister,
Treasury Board Secretariat



Scott Thompson
Deputy Minister,
Ministry of Finance

- c. Ali Ghiassi
Howie Bender
Karen Hughes
Chris Giannikos
Maria Duran-Schneider