

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**  
**November 6, 2014**

**Opening Statement**

**Bill Matthews**  
**Comptroller General of Canada**  
**Treasury Board of Canada Secretariat**

Good afternoon Mr. Chair and members of the Committee.

Thank you very much for the invitation to appear before this Committee to discuss the Public Accounts of Canada for 2013-2014.

I am pleased to be here in my role as Comptroller General of Canada.

With me are two members of my staff, Mr. Michel Vaillant, Acting Executive Director, Government Accounting Policy and Reporting and Natalie Deschamps, Senior Policy Analyst, Government Accounting Policy and Reporting.

Also with us today is Mr. Nick Leswick, General Director, Economic and Fiscal Branch, Finance Canada.

For the 16th consecutive year, the Auditor General has provided a "clean" audit opinion - now called an "unmodified opinion" - on the Government of Canada's financial statements.

This testifies to the high standards of the Government's consolidated financial statements and reporting, and it is an achievement of which Canada can be justifiably proud.

I would like to thank the Office of the Auditor General for the continued professional working relationship that we have enjoyed.

The Public Accounts set out the audited consolidated financial statements for the 2013-14 fiscal year, which ended on March 31, 2014.

They are part of a series of reports to Parliament and the Canadian public providing information on the state of the Government's finances.

I would like to highlight a few elements that affected the Government of Canada consolidated financial statements during 2013-2014.

The opening balance of the accumulated deficit in 2012-2013 and 2013-2014 has been restated to reflect two accounting changes, which the Government implemented in 2013-2014.

The first restatement relates to a change in accounting standards that impacts the accounting treatment of premiums and discounts arising on the buy-back of Canada Savings Bonds.

This change has been applied retroactively to fiscal year 2012-13, as well as to fiscal year 2013-14, to allow for comparability of results between the two years.

The effect was a \$5.7-billion increase in the opening balance of the accumulated deficit in the 2012-13 fiscal year and a \$0.3-billion decrease in the annual deficit.

The effect on the 2013-2014 fiscal year was a \$5.4 billion increase in the opening balance of the accumulated deficit.

The second restatement concerns the Government's allowance for Social Housing Program loans administered by Canada Mortgage and Housing Corporation.

Some of these loans will be repaid out of future federal appropriations to CMHC.

In the 2013-2014 fiscal year, the Government determined that the allowance established in prior years was not as comprehensive as it should be.

The Government therefore adjusted its valuation allowance accordingly, which resulted in a restatement of the prior years' balances.

The effect on the 2012-13 fiscal was a \$1.8-billion increase in the opening balance of the accumulated deficit, and a \$0.2-billion decrease in annual deficit.

For the 2013-14 fiscal year, the effect was a \$1.6-billion increase in the opening balance of the accumulated deficit.

Mr. Chair, we have a slide presentation outlining some of the key financial results for the fiscal year ended March 31, 2014.

We can go through the presentation, or if you would prefer, we can simply table the presentation and go straight to questions from the Committee.

Mr. Chair, we would now be pleased to answer the questions of the Committee on the Public Accounts of Canada.

Thank you.