

May 8, 2007

**Mr. Jim McCarter
Auditor General of Ontario
20 Dundas Street West, Suite 1530
P.O. Box 105
Toronto, Ontario
M5G 2C2**

Auditor General,

We, the undersigned elected Members of the Ontario Legislature, urgently request that you undertake a thorough audit and review of the McGuinty government's practice of spending year end money through undocumented secret funds.

As you are aware, over the past several weeks, Ontarians have heard story after story about, uncontrolled, arbitrary and secret spending from the McGuinty government.

The majority of the revelations to date concern secret funds spent by the Ministry of Citizenship and Immigration, though, by the Premier's own admission, such undocumented funds apparently exist throughout multiple government Ministries.

Such practices pose significant questions regarding the transparency and integrity of government. In particular our concerns centre around the following.

- As you have noted in your most recent Annual Report, year end spending habitually takes place without any documentation, public notice, or even a formal application process from grant-receiving organizations. This falls well short of the highest standards of accounting practices.
- Government grants are apparently granted unconditionally without criteria for, or means of measuring value from, granted funds.
- This practice takes place, arbitrarily and in secret, thereby freezing many worthwhile organizations out from so much as applying for money that they too could put to good use.
- There are signs that some of this spending has been directed to furthering the partisan ends of the Liberal Party, raising serious questions of integrity that deserve answers from a non-partisan authority.

All of these concerns point to the vital importance of your office performing a full and thorough audit of the entire secret-fund and year-end spending process.

To date, our efforts at exercising legislative oversight over this matter have been met with stonewalling and evasion. All questions in the Legislature have been routinely disregarded by Ministers who simply recite empty talking points.

More disturbing still, a motion put to the Standing Committee on Public Accounts to formally refer this matter to your office was voted down by Liberal committee members. We believe that the Premier ordering his backbenchers to block a formal non-partisan investigation constitutes an abuse of a parliamentary majority at its very worst. More troubling still, it only serves to undermine the public's confidence in the accuracy and honesty of the government's books.

In your previous annual-reports, you have singled out the practice of rushed year-end spending as a recurring issue of significant concern. We believe in light of the revelations out of the Ministry of Citizenship and Immigration, and ensuing attempts by the government to conceal the problem, it has become even more urgent that your office intervene and exercise its powers of oversight.

Ontarians deserve a full accounting of:

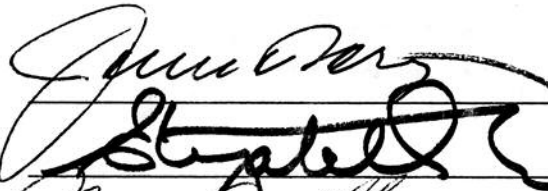


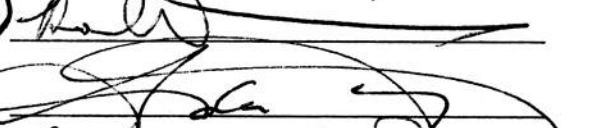




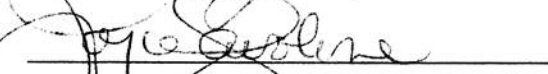



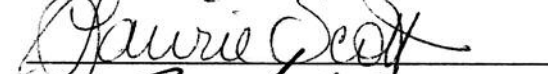
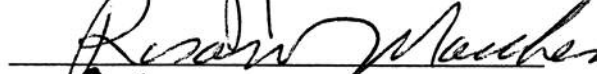






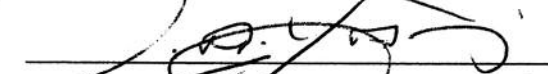


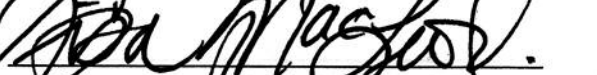
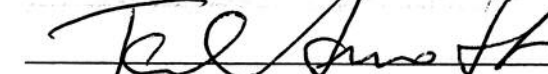
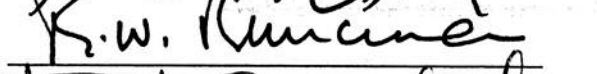
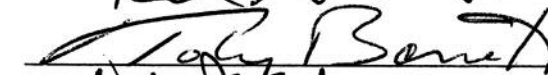

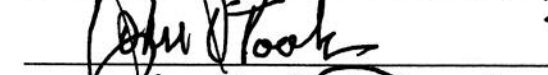
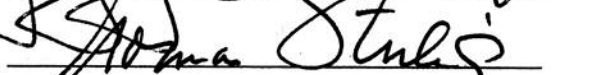

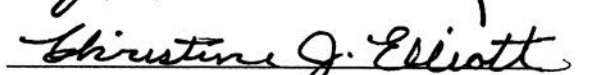


- How much money exists in secret funds;
- How it is being spent;
- For what purpose;
- Who is receiving these funds;
- How these recipients are selected.

To date, the Premier has deflected all requests for such a review by saying that your office is free to review this matter as part of its annual reporting process, to be completed this winter. It needs no repeating however, that October 10th is election day, and deferring formal inquiries into this matter until well after election day denies the public vital information to which they are fairly entitled when they go to the polls and hold this government to account. The Premier's preferred outcome is therefore incompatible with any acceptable standard of accountability in a responsible democracy.

We hope that by co-signing this letter between our two caucuses, we underscore the gravity with which we regard this matter. This is not an issue about policy or political ideology, it is a matter of fundamental accountability, transparency and fairness. It is about preserving the integrity of the government of Ontario, and we hope you share our belief that this matter requires urgent attention, and clear answers, prior to Election Day.

We therefore humbly request that pursuant to the *Auditor General Act* you use the latitude given to your office to initiate a full review of government year-end spending out of secret funds, with a deadline to report prior to September 10th.

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Sincerely,

A handwritten signature in black ink, appearing to be "Guy" followed by a stylized flourish.

A series of horizontal lines for writing, consisting of two columns of lines. The left column has 15 lines and the right column has 15 lines, for a total of 30 lines.
