Public Sector Financial Reporting

A Canadian Perspective

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Structure of Standard Setting

Accounting Standards Oversight Council (AcSOC)

Accounting Standards Board (AcSB)

Emerging Issues Committee (EIC)

Public Sector Accounting Board (PSAB)

Task forces and working groups - project related, as needed
Federal, Provincial and Territorial Governments
Local Governments
Financial Statements

- Full accrual basis of accounting
- Improved financial management and reporting
- Government-wide reporting based on “control”
- Government organizations that issue GPFS report on a Public Sector GAAP basis
Challenges - Accrual Accounting

• Environmental Liabilities – more timely accounting for new assessments and remediation
• Contingencies, Claims and Litigations
• Tax Revenues and Receivables – numerous challenges in timeliness, methodology and allowances
Moving to Audited Statements

- Readiness assessments engagements completed by most large departments

- Findings of assessments relate to:
  - Role of Internal Audit,
  - adequacy of documentation,
  - inconsistent processes (regional offices),
  - reliance on OGD processes,
  - capacity of finance function,
  - controls surrounding information systems,
  - capital asset monitoring.
Challenges - Departmental Reporting

- “Inconsistencies” with Public Accounts
- Severance Benefits
- Policy
- Funding
- Expert Panel
  - Due from the Consolidated Revenue Fund
  - Entity Related
  - Related Party Transactions
Financial Reporting

- Financial statements are not enough
- Surpluses/deficits alone cannot tell the government story
- PSAB issues SORPs – guidance on preparing MD&A and performance reports
Federal Government

REPORT OF THE PRESIDENT OF THE TREASURY BOARD

Canada’s Performance
The Government of Canada’s Contribution

ANNUAL REPORT TO PARLIAMENT

2006

Canada
Government Accountability

About Measuring Up

Saskatchewan Finance

Government Accountability Framework

Saskatchewan's Accountability Framework guides the government's continuing efforts to implement a managing-for-results approach within executive government and to improve...
Future Directions

• PSAB pays close attention to the work of IPSASB

• While it does not have a goal of convergence at this stage, it is moving closer

• IPSASB is now considering as part of its conceptual framework project’s scope – financial statements or financial reporting