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# **Impact of Changing Accounting Standards on the Province**

**JOINT CMA-CGA-FMI WORKSHOP**

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# Some Key Questions to Address

- **What is the scope of the decisions?**
- **What is the impact of the decisions?**
- **On what basis will the decisions be made?**



# Uncertainties

Uncertainties existed in PSAB classifications and in our own existing classification based on the GAAP previously being followed by government entities

- **Government Business Enterprise (GBE)**
- **Government Business Type Organization (GBTO)**
- **Not-for-Profit Organization (NFPO)**
- **Other Government Organization (OGO)**



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# Legislation defining GAAP

In the face of uncertainty regarding GAAP selection and preliminary estimates of potential impacts:

- Government introduced legislation to retain GAAP but to introduce the opportunity for Treasury Board to define GAAP in a manner that would best serve the public interest.
- Legislation states that Government and government organizations must follow GAAP for senior governments unless Treasury Board issues a regulation



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# **Classification of Crown Corporations and Crown Agencies**

**Classification by management objectives (by substance)**

- **Government Business Enterprise (GBE)**
- **Government Not-for-Profit Organization (GNFPO)**
- **Other Government Organization (OGO)**



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# Treasury Board Decision

Treasury Board directed

- GBEs to adopt IFRS
- All OGOs adopt PSAB
- All Such sector entities adopt PSAB



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# Implementing Treasury Board's Decision

## Office of the Comptroller General

- Provide guidance to all GBEs to maintain consistent approach within the Government Reporting Entity,
- Provide guidance and training for the adoption of PSAB for all other Crown corporations and Crown agencies.