

## public sector accounting handbook revisions release no. 16 August 2003

### ACCOUNTING RECOMMENDATIONS

#### Introduction to Public Sector Accounting Recommendations

Amended paragraph .04 to reflect the new definition of the government reporting entity based on control.

#### Financial statement objectives — federal, provincial & territorial governments, Section PS 1100

Amended paragraphs PS 1100.14, .16-.19, and deleted paragraph PS 1100.15 to reflect the change in definition of the government reporting entity to those organizations a government controls. The former wording of the Recommendation in paragraph PS 1100.17 read as follows:

##### ♦ Objective 1

*Financial statements should provide an accounting of the full nature and extent of the financial affairs and resources for which the government is responsible, including those related to the activities of government agencies and enterprises.* [APRIL 2005]

#### Government reporting entity, Section PS 1300

Revises and replaces FINANCIAL REPORTING ENTITY, Section PS 1300.

The definition portion of the former Section has been revised to define the government reporting entity as those organizations that are controlled by the government. Guidance dealing with accounting for government organizations that are included in the government reporting entity are unchanged. The former wording of the Recommendation in paragraph PS 1300.07 read as follows:

♦ *The government reporting entity should comprise the organizations that are accountable for the administration of their financial affairs and resources either to a minister of the government or directly to the legislature, or local government council, and are owned or controlled by the government.* [JUNE 1996]

The balance of the revisions to this Section arise from the change in the definition of the government reporting entity and include amendments to existing Recommendations and guidance, as well as new guidance. These revisions result in a renumbering of existing material.

#### Objectives of financial statements — local governments, Section PS 1700

Amended paragraphs PS 1700.62 and .63 to reflect the change in definition of the government reporting entity to those organizations a government controls. The former wording of the Recommendation in paragraph PS 1700.63 read as follows:

##### ♦ Objective 2

*Financial statements should provide an accounting of the full nature and extent of the financial affairs and resources for which the local government is responsible including those related to the activities of its agencies and enterprises.* [NOV. 1990]

Deleted paragraphs PS 1700.66-.77, as this material is redundant and is incorporated in Section PS 1300. The paragraphs in the balance of the Section have been renumbered accordingly. The former wording of the deleted Recommendation paragraphs was as follows:

- .71 ♦ *The government reporting entity should comprise the organizations that are accountable for the administration of their financial affairs and resources either to a minister of the government or directly to the legislature, or local government council, and are owned or controlled by the government.* [JUNE 1996]
- .75 ♦ *Trusts administered by a local government should be excluded from the local government reporting entity.* [NOV. 1990]
- .77 ♦ *Financial statements should disclose, in a note or schedule, a description of trusts under administration by a local government and a summary of trust balances.* [NOV. 1990]

#### General standards of financial statement presentation — local governments, paragraph PS 1800.04

Amended to reflect the change in definition of the government reporting entity to those organizations a government controls.

#### Basic principles of consolidation, paragraph PS 2500.04(d)

Amended to reflect the change in definition of the government reporting entity to those organizations a government controls.

**Portfolio investments, paragraph PS 3040.05**

Amended to reflect the change in definition of the government reporting entity to those organizations a government controls.

**Government partnerships, paragraphs PS 3060.06 and .11**

Amended to reflect the change in definition of the government reporting entity to those organizations a government controls.

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