

Public Sector Accounting Discussion Group

Online Issues Submission Form Guide

Submitter Identification

This section of the form allows the Secretary of the Group to contact you with any questions and to exchange information with you to finalize the content of the submission in the format used for the Group's discussion.

Submitted for Consideration for Agenda of Discussion Group Meeting

Please insert the date of the meeting at which you are requesting the Group discuss the submission. The group usually meets twice a year in April and November. However, if the number of submissions requires an additional meeting, a further meeting date would be added by the Group.

Topic Title

The topic Title should include the relevant Section title if applicable and/or a short topic description.

For example: Section PS 2600 – Foreign Exchange Debt – Rates and Hedges.

Primary Canadian Standards Referenced

This part of the form asks for a list of the public sector accounting standards being addressed in the submission. This information gives Group members a quick idea of the standards for which application and interpretation questions are being asked.

For example:

- Section PS 1201, *Financial Statement Presentation*
- Section PS 2600, *Foreign Currency Translation*

Reasons for the Submission

Please indicate how the issue meets the Group's criteria for consideration.

For example:

- Does the issue arise from the preparation of general purpose financial statements of a government or government organization applying the CPA Canada Public Sector Accounting (PSA) Handbook as its primary source of GAAP?
- Is the issue widespread or does it have significant implications for public sector reporting?
- Is there currently, or the potential for, significant inconsistencies (diversity in practice) arising from interpretation of a standard?

There may also be additional reasons you feel the Group should consider the proposed topic and they should also be indicated here.

Background (Optional)

Any context required for the Group to understand the nature of the issue in addition to the reasons for the submission described in the section above.

There could be some historical or existing practice that is relevant to the discussion:

- For example, in a submission related to the application of Section PS 3410, *Government Transfers*, relevant excerpts from the Post-implementation Review (PIR) were included.

Reference to a previous discussion of the Group may also be relevant if the new topic builds on that discussion:

- For example, in a submission related to the application to recipients of the authorization requirements in Section PS 3410, *Government Transfers*, relevant excerpts from a previous Group discussion on authorization relating to the transferor were referenced.

If the topic is an emerging one, then more details about the topic may need to be provided here:

- For example, in the submissions on urban forests and early intervention investments at the November 18, 2016 Group meeting, some background was provided regarding these topics in this section of the submission.

Scenario

Please indicate the fact pattern that would be used to illustrate the issue(s) under consideration.

The scenario may include providing the details of a particular transaction or related set of transactions that would illustrate the issue for discussion purposes.

For example, in a scenario relating to foreign currency debt, the transactions were as follows:

- Transaction #1: A government department issues debt externally in a foreign currency.

- Transaction #2: The amount borrowed by the department is then loaned to a government organization under the exact same terms and conditions, creating a loan receivable from the government organization to the department, which directly offsets the department's debt payable.
- Transaction #3: The recipient organization enters into a derivative contract to hedge its currency exposure from its receivable to the department.
- The government has not early adopted Section PS 3450, *Financial Instruments* and Section PS 2601, *Foreign Currency Translation* for preparing its consolidated financial statements. Government components apply the same standards the government uses for its consolidated financial statements. Thus the government and its components apply Section PS 2600, *Foreign Currency Translation*.
- For the purposes of Issue 1, if the recipient is a government organization other than a government business enterprise (GBE) it is assumed that it has adopted Section PS 3450 and Section PS 2601 for preparing its own financial statements.
- Any debt issued in a comparable situation to on-lend to a GBE (instead of an "other" government organization) is fully hedged in the same manner as that of an "other" government organization.
- It is assumed that there are no concerns in the treatment of debt issued and loan receivable in relation to the requirements for debt issued on behalf of GBEs in Section PS 3230, *Long Term Debt*.

Issue 1 – Ask the first question that you want the Group to discuss in relation to the topic

For example: Does an endowment investment received by a government not-for-profit organization (GNFPO) meet the definition of an asset for the GNFPO?

Notes:

- There may be one or more issues relating to the topic submitted that the Group is asked to discuss.
- It is assumed in the format of the submission form that there are differing points of view on an issue and that discussing the alternative points of view and the arguments supporting them will assist the Group in coming to a consensus on the issue. Thus at least two views are generally required for each issue in order to illustrate the application or interpretation question. A consensus may not always be possible on a question and differing points of view may be equally supportable. Nevertheless, exploring the alternatives in the submission allows for fulsome debate of the questions raised.

View A – Set out one possible answer to the question – in summary

- For example: Yes, the endowment investment meets the definition of an asset for the GNFPO.

Summarize the arguments supporting this view.

- For example: provide arguments as to how each characteristic of an asset as set out in Section PS 1000, *Financial Statement Concepts*, and explained in Section PS 3210, *Assets*, are met by the item under question.

View B – Set out another possible answer to the question – in summary

- For example: No, the endowment investment is not controlled by the GNFPPO; they are recognized as assets held in trust.

Summarize the arguments supporting this view.

- For example: indicate the relationship of the GNFPPO with the endowment assets, its responsibilities and powers in relation to the application and use of the investments, etc..

Set out additional views (for example, C, D, etc.) as required to ensure full consideration of the question.

Issue 2 – If you have a second question that you want the Group to discuss in relation to the topic, then here is where you would include the additional question

For example, a related question to that asked in the Issue 1 example above might be: If an endowment investment received by a GNFPPO meets the definition of an asset for the GNFPPO, what kind of asset is it (financial, non-financial, etc.)?

Issue 2 would be an issue relating to the same topic as Issue 1.

It may be appropriate in some circumstances to add additional facts to the scenario under question in order to illustrate this new issue. Those new facts would be set out here.

- For example, a submitter could indicate: “In addition to the scenario for Issue 1 the following additional fact(s) should be considered in addressing Issue 2.” Below is an example from the March 2017 submission relating to Section PS 3410, *Government Transfers*, in relation to considering the authority to pay from a recipient perspective indicated the following under the description of Issue 3:

“The same fact pattern as for Issues 1 and 2 is applicable to Issue 3 with the addition of an assumption that Province X has issued legislation that prevents municipalities from recognizing a receivable for any portions of the transfer in advance of the annual approval of the appropriation for that year’s payment.”

Structure the views relevant to each additional issue as set out under Issue 1 above. Each issue would generally have two views – A and B – in order to set out the nature of the debate on the question. Additional views (for example, C, D, etc.) may be possible on any issue included in the submission.

Further issues: If required, you may include up to eight issues in relation to this topic under consideration, on this submission form.

APPENDIX A – TECHNICAL REFERENCES

Please indicate the details of the standards considered in the submission. These would normally be only the relevant excerpts of standards under question and those to which reference is made in setting out and supporting the Views for consideration.

For example:

Section PS 1201, *Financial Statement Presentation*

- .010 *Notes and supporting schedules in financial statements should not be used as a substitute for proper accounting treatment.* [APRIL 2005]
- .011 Financial statements include notes and schedules that are useful for the purpose of clarification or further explanation of items in the financial statements. Such notes and schedules cannot, however, be used as a substitute for proper accounting treatment. Inappropriate accounting treatment of financial statement items is not rectified either by disclosure of accounting policies used or by notes or explanatory schedules.

Section PS 2600, *Foreign Currency Translation*

APPENDIX B — ORIGINATOR(S) OF THE SUBMISSION

Please indicate the names of those who are submitting the issue for discussion. One of these submitters would normally offer to present the submission to the Group at the meeting in person or by video conference.

NAME	ORGANIZATION/JURISDICTION

Any Other Relevant Appendices or Illustrations

Such appendices might be useful, for example, when the topic under discussion is an emerging issue and research has been conducted in drafting the submission that may help Group members have a fulsome discussion of the issues in the submission.

Examples of information that might be included are:

- links to relevant web sites, articles, publications, sources;
- decision trees to illustrate the issue(s) under consideration; and
- illustrative examples of the issues in the submission that have been encountered in practice.