



Intro music fades in

Voiceover 1 – Intro music overlaid

You're listening to the In Brief podcast.

In this episode, hear from Ali Ahmed, Principal with the Public Sector Accounting Board and Daniella Girgenti, Communications Manager for Financial Reporting & Assurance Standards Canada, provide an overview of the Government Not-for-Profit Organizations (GNFPOs) Consultations project.

Voiceover 2 – Silence

DG: Hello and thank you for listening to the first of three podcasts on the GNFP project. My name is Daniella Girgenti, and I am the communications manager for FRAS Canada. I am here with Ali Ahmed, principal with the Public Sector Accounting Board and project lead for PSAB's GNFP Project.

DG: Ali, can you explain what is a Government Not-for-Profit Organization and provide some examples?

AA: GNFPOs are Not-for-profit organizations that are controlled by the government.

An organization applies the criteria of control in Section PS 1300, *Government Reporting Entity*, to determine if it's controlled by the government.

The PSA Handbook defines control as "the power to govern the financial and operating policies of another organization with expected benefits or the risk of loss to the government from the other organization's activities."

Examples of government not-for-profit organizations are hospitals, schools, as well as some colleges and universities.

This sector is quite diverse. They can even include convention centers, legal aid clinics, museums, foundations, and social housing corporations.

DG: Why is PSAB working on this GNFP project?

AA: Short answer – one of the key strategies in the PSAB's 2017-2021 Strategic Plan is the development of the GNFP strategy in the public's interest.

Long answer – It all started in 2010 when PSAB directed GNFPs to the Public Sector Accounting standards, effective 2012. This decision was made on the premise that GNFPs would be best served by using accounting standards applicable to the public sector.

To ease the transition to the PSAS, PSAB incorporated the 4400 series from Part V of the Accounting Handbook into the Public Sector Accounting (PSA) Handbook, as Sections PS 4200 to PS 4270 (PS 4200 series). The Board then provided GNFPs with an option to follow PSAS with or without incorporating the PS 4200 series-standard.

The GNFP strategy at that time was the “one size fits all approach.” When the 4400-series standards were incorporated as PS 4200 series, PSAB was aware that not all PS 4200-series standards were aligned completely with PSA Handbook concepts. Therefore, the strategy was to review the standards and identify the differences between the existing public sector accounting standards and the PS 4200 series standards. In its 2013-2017 strategic plan, one of the objectives articulated was that one financial reporting framework should be used by all entities that apply the PSA Handbook.

As part of the development of the 2017-2021 Strategic Plan, PSAB consulted with its stakeholders and decided to reassess its current GNFP Strategy. This involved assessing GNFPs’ specific needs and understand if some standards should be applied differently to this group.

DG: How are you planning to do this?

AA: We have developed a Consultation Paper to inform our stakeholders of the results of our GNFP consultations, and provide an opportunity for our stakeholders to give us their input on key issues that will guide PSAB in determining its next steps for the GNFP strategy.

Voiceover 1 – Extro music overlaid

DG: What are the next steps?

AA: The GNFP Consultation Paper is open for comments until September 30, 2019. Responses will be presented to PSAB at the December PSAB meeting.

We will be hosting a webinar and virtual roundtables to give you an opportunity to learn more and have your say. Visit www.frascanada.ca/GNFP-Consulation to learn more and stay up to date on this project.

DG: Stay tuned for the next podcast, which will provide a summary of the results of the GNFP consultations.

Extro music continues and fades