

## **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, discuss matters on which PSAB is seeking feedback.

### **Voiceover 2 – Silence**

DG: Hello and thank you for listening to the third of three podcasts on the government not-for-profit (“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, what are the topics on which PSAB is seeking feedback on?**

AA: PSAB is seeking feedback on the:

- Future trends in the GNFP sector;
- Other significant financial reporting issues not captured in the 2017-2018 GNFP consultations;
- Uniform accounting and financial reporting;
- Consistency within the GNFP sector; and
- Comparability within the subsector.

Some questions in the consultation paper are designed to seek feedback from the perspective of the users of the financial statements, not just the preparers.

#### **DG: As part of the 2017-2018 GNFP consultation, the GNFP stakeholder raised their financial reporting concerns. What is the purpose of seeking feedback on this topic?**

AA: The initial consultations were focused on stakeholders from the school, university, college, and hospital subsectors. Therefore, we would like to hear from the subsectors we did not consult with and provide an opportunity to all GNFP organizations to share their financial reporting needs and concerns.

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**DG: What would PSAB achieve by seeking feedback on uniform financial reporting?**

AA: In 2010, The decision to direct GNFPs to follow Public Sector Accounting Standards, which we refer to as PSAS, was made on the premise that GNFPs would be best served by using the accounting standards applicable to the public sector. This decision recognized that the focus of GNFP operations is on the provision of public services and that GNFPs are accountable to a broad group of users such as legislators, special interest groups and the general public.

In the first podcast, I mentioned that the current GNFP strategy is based on the “One-size-fits-all” approach. The board is now assessing the pros and cons of this "One-size-fits-all" approach and inquiring GNFP stakeholders of the reasons why government and GNFPs should account and present similar information differently? What is the impact on the users of the financial statements? The Board would like to determine what are the distinct needs of the GNFP financial statement users that are different from the government financial statement users and would require GNFP specific guidance.

**DG: In the GNFP Consultation Paper, you are asking a question relating to consistency within the GNFP sector- Is this question a result of the concerns raised by the GNFP stakeholders**

AA: Yes. We heard from our GNFP stakeholders that diversity in financial reporting has caused confusion among the financial statement users. Therefore, PSAB would like to ask GNFP stakeholders of the benefits of all GNFPs using the same standards to the financial statement users.

**DG: There are private sector NFPOs and Government not-for-profit organizations. They follow different financial reporting standards. Why is PSAB seeking feedback on comparability within the subsector?**

AA: Both, Public and Private not-for-profit organizations, such as universities, colleges and museums compete for donations, students, research grants and other funding opportunities. Financial statement users overlap between the government and private not-for-profit sector. Therefore, PSAB is interested in hearing from the stakeholders, if there are benefits for the financial statements users in having comparable financial information within an NFP subsector. For example, would financial statement users benefit from having comparable financial information between all universities and colleges?

**Voiceover 1 – Extro music overlaid**

DG: Thank you, Ali.

The GNFP Consultation Paper is open for comment until September 30, 2019.

Thank you for listening to this podcast and please feel free to contact Ali at [aahmed@psabcanada.ca](mailto:aahmed@psabcanada.ca) if you have any questions or concerns regarding the GNFP Strategy and the Consultation Paper.

**Extro music continues and fades**