ASSURANCE AND ACCOUNTING

PUBLIC SECTOR ACCOUNTING STANDARDS (PSAS) UPDATE 2017

Introduction

2017 was a busy year for the Public Sector Accounting Board (PSAB or the "Board"). Five new CPA Canada Public Sector Accounting Handbook (PSA Handbook) Sections became effective as did the amendments to the Introduction to Public Sector Accounting Standards. Additionally, the Board and its task forces advanced the progress of existing projects including issuing two Exposure Drafts, a Statement of Principles and an Invitation to Comment. This publication will provide an overview of these projects as well as a review of the standards that are effective for public sector entities this year and those that will become effective over the next few years.

Standards Effective January 1, 2017

Amendments to the Introduction

The Board amended the *Introduction to Public Sector Accounting Standards* to clarify the applicability of the PSA Handbook for various public sector entities.

Main Amendments

The main amendments to this Section are:

- The introduction of the term "public sector entity", which is defined as a government, government component, government organization or government partnership.
- The introduction of the term "government component", which is defined as an integral part of a government, such as a department, ministry or fund. It is not a separate entity with the power to contract in its own name and that can sue and be sued.
- The definition of a government organization has been amended to state that it is any organization controlled by a government that is a separate entity with the power to contract in its own name and that can sue and be sued.
- Definitions for each type of government organization and government partnership are now included in this Section. Previously these definitions were scattered throughout various Sections of the PSA Handbook.
- The definition of each type of government organization has been amended to clarify that they are separate legal entities that have the power to contract in their own name and that can sue and be sued.
- The definition of a government partnership has also been amended to clarify that it is not a government organization.
- Guidance has been added to explain what GAAP is to be followed by government components and government partnerships as this guidance was not previously provided in the PSA Handbook:
  - Government components follow the guidance for governments in the PSA Handbook.
  - Government partnerships between two or more public sector entities normally follow the standards for governments in the PSA Handbook. However, when these standards do not meet the needs of the users of their financial statements, the government partnership considers following International Financial Reporting Standards (IFRS) in Part I of the CPA Canada Handbook.
  - Government business partnerships between two or more public sector entities follow IFRS.
  - Government partnerships or government business partnerships with one or more private sector partners follow the GAAP that their partners determine is most appropriate for the partnership.

Transition

Since the amendments to this Section introduced a definition of government components as well as guidance on what GAAP government partnerships and government business partnerships should be following, this may result in some government components, government partnerships and government business partnerships needing to adopt a different GAAP from what they are currently following. As a result, specific guidance on effective dates and transition has been provided:

- Government components and government partnerships that adopt the PSA Handbook should do so for fiscal periods beginning on or after January 1, 2017. The adoption of these standards should be accounted for by retroactive application with restatement of prior periods in accordance with Section PS 2125, *First-time Adoption*.
- Government partnerships and government business partnerships that determine standards applicable to publicly accountable enterprises (i.e. IFRS) are most appropriate for their partnership should do so for fiscal periods beginning on or after January 1, 2017.

Standards Effective April 1, 2017

Related Party Disclosures

Project Background

The Board issued new Sections PS 2200, *Related Party Disclosures*, and PS 3420, *Inter-entity Transactions*, in 2015. Prior the issuance of these two Sections the PSA Handbook did not include a standard dealing with related party transactions. The reason two standards were developed instead of only one is because related party transactions can occur with individuals and entities both inside and outside of a government's reporting entity. However, the Board believes that generally issues of recognition and measurement would not arise for related party transactions that are not part of the same government reporting entity. These types of related party transactions would be recognized at the exchange amount according to their substance and the individual accounting standards applied for reporting purposes. Disclosures about these related party transactions would be sufficient for users to understand the effect of those transactions on an entity's financial position and changes in financial position. So these types of transactions would be within the scope of Section PS 2200 and disclosed in accordance with that Section, but would not be in the scope of new Section PS 3420, which provides recognition and measurement guidance for related party transactions that occur between entities within the government's reporting entity (i.e. inter-entity transactions).

Definitions

Section PS 2200 defines a related party and a related party transaction as follows:

> **Related party** - A related party exists when one party has the ability to exercise control or shared control over the other. Two or more parties are related when they are subject to common control or shared control. Related parties also include key management personnel and close family members.
>
> **Related party transaction** - A transfer of economic resources or obligations between related parties, or the provision of services by one party to a related party. These transfers are related party transactions whether or not there is an exchange of considerations or transactions have been given accounting recognition. The parties to the transaction are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between related parties.

When is Disclosure Required?

The standard does not require disclosure of key management personnel compensation arrangements, expense allowances or other similar payments routinely paid in exchange for services rendered. Additionally the standard does not require disclosure of all related party transactions. Instead, disclosure is generally only required when:

- A transaction occurs between related parties at a value different from that which would have been arrived at if the parties were unrelated; and
- Transactions and events between related parties have or could have a material financial effect on the financial statements.

Determining which items to disclose is based on an assessment of the terms and conditions underlying the transactions, the financial materiality of the transactions, relevance of the information to the decisions of users, and the need for the information to enable users' understanding of the financial statements and for making comparisons to other entities. When it is determined that information about related party transactions needs to be disclosed in the financial statements, the disclosure would include the following, aggregating items that are similar in nature:

- Information about the nature of the relationship with related parties involved in related party transactions;

- The types of related party transactions that have been recognized;
- The amounts of the transactions recognized classified by financial statement category;
- The basis of measurement used;
- The amount of outstanding balances and the terms and conditions attached to them;
- Contractual obligations with related parties, separate from other contractual obligations;
- Contingent liabilities involving related parties, separate from other contingent liabilities; and
- The types of related party transactions that have occurred for which no amount has been recognized.

Transition

Section PS 2200 is effective for fiscal years beginning on or after April 1, 2017 and must be applied prospectively. Additionally, the Board has withdrawn Section PS 4260, *Disclosure of Related Party Transactions by Not-for-Profit Organizations*, which was previously applied by government not-for-profit organizations following the PSA Handbook with the PS 4200 Series of standards. As a result, these government not-for-profit organizations will now look to Section PS 2200 for guidance on defining and disclosing related party transactions.

Inter-entity Transactions

As previously mentioned, related Section PS 3420 provides guidance on how to account for and report transactions between public sector entities that comprise a government's reporting entity (i.e. inter-entity transactions) from the perspective of both the provider and the recipient.

Recognition & Measurement

Under this Section, for a transfer of assets or liabilities, the provider removes the assets or liabilities from its financial statements and any difference between the net proceeds received and the carrying amounts transferred is accounted for as a revenue or expense in the statement of operations. The recipient then recognizes the assets or liabilities in its financial statements when the items satisfy the definition and recognition criteria for an asset and liability in Section PS 1000, *Financial Statement Concepts*.

When there is a policy of cost allocation and recovery for the provision of goods and services, the provider recognizes all revenues and expenses on a gross basis and the recipient recognizes expenses on a gross basis.

When there is no policy for allocating costs, the recipient may choose to recognize these costs when they would otherwise have been purchased and a reasonable estimate of the amount involved can be made. In this case, the recipient recognizes these items as revenues and expenses.

Under Section PS 3420 transactions are measured at the carrying amount by the recipient, other than in the following situations:

SITUATION	THEN MEASURED AT
Transactions are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length	Exchange amount
Assets or liabilities are transferred for nominal or no consideration	Carrying amount or fair value
Transactions are allocated costs and recoveries	Exchange amount
Transactions are unallocated costs	The carrying amount, fair value or other amount dictated by policy, accountability structure or budget practice

Disclosure

Inter-entity transactions are disclosed in accordance with the requirements of Section PS 2200.

Transition

Section PS 3420 is effective for fiscal years beginning on or after April 1, 2017. If application of Section PS 3420 results in a change of accounting policy Section PS 2120, *Accounting Changes*, applies. Per paragraph PS 2120.13, when a change in an accounting policy is made to conform to a new Public Sector Accounting Standard the new standard may be applied retroactively or prospectively. As noted above, the Board has withdrawn Section PS 4260, *Disclosure of Related Party Transactions by Not-for-Profit Organizations*. As a result, government not-for-profit organizations will look to Section PS 3420 for guidance on recognizing and measuring inter-entity transactions.

Assets

Additional Guidance

Section PS 3210, *Assets*, was issued during 2015 and provides additional guidance on the definition of assets. Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.

This new Section provides additional guidance on what is meant by economic resources, control, past transactions or events, and future economic benefits. This guidance will be helpful in determining whether an item meets the definition of an asset. It may also result in public sector entities reassessing whether items meet the definition of an asset upon adoption of this Section.

Section PS 3210 requires public sector entities to disclose in their financial statements major categories of assets that are not recognized in their financial statements (i.e. intangibles, crown lands, heritage assets, etc.).

Transition

This Section is effective for fiscal years beginning on or after April 1, 2017. Since the standard is silent on transition, if a change in accounting policy results from application of the new Section, paragraph PS 2120.13 applies which allows the Section to be applied retroactively or prospectively.

Contingent Assets

Definition and Disclosure

During 2015, Section PS 3320, *Contingent Assets*, was issued in the PSA Handbook. Prior to this the PSA Handbook included a definition of contingent liabilities, but did not include a definition of contingent assets. This new Section defines contingent assets as:

> Possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.

Section PS 3320 requires disclosure of contingent assets in the financial statements when the occurrence of a confirming future event is likely.

This new Section may result in public sector entities performing a reassessment of items that meet the definition of a contingent asset and additional information being disclosed upon adoption of this Section.

Transition

Section PS 3320 is effective for fiscal years beginning on or after April 1, 2017 and since it is a disclosure standard the impact will be the same if applied retroactively or prospectively.

Contractual Rights

Definition and Disclosure

Before Section 3380, *Contractual Rights*, was issued in 2015 the PSA Handbook included a definition of contractual obligations, but did not define contractual rights. This new Section provides a definition of contractual rights as:

> Rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.

This Section also requires that information about a public sector entity's contractual rights be disclosed in the financial statements. This disclosure would include a description about the nature, extent and timing of the contractual rights. Since an entity may have many contractual rights, professional judgment will be required in determining what to disclose. Factors to consider include, but are not limited to:

- Contractual rights to revenue that is abnormal in relation to the financial position or usual business operations of the entity; and
- Contractual rights that will govern the level of a certain type of revenue for a considerable period into the future.

Transition

This Section is effective for fiscal years beginning on or after April 1, 2017 and since it is a disclosure standard the impact will be same if applied retroactively or prospectively.

Standards Effective April 1, 2018

Restructurings

Section PS 3430, *Restructuring Transactions*, was also issued in 2015. This new Section provides guidance on accounting for restructuring transactions. Previously, no such guidance existed in the PSA Handbook. As public sector entities are entering into these types of transactions more often, guidance was needed to ensure these transactions are accounted for on a consistent basis.

What are Restructuring Transactions?

Restructuring activities include, but are not limited to:

- Amalgamations of entities or operations within the government reporting entity;
- The amalgamation of local governments;
- Annexation or boundary alteration between neighbouring local governments;
- Transfers of operations or programs from one entity to another; and
- Shared service arrangements entered into by local governments in a region.

Section PS 3430 defines a restructuring transaction as a transfer of an integrated set of assets and / or liabilities, together with related program or operating responsibilities without consideration based primarily on the fair value of the individual assets and liabilities transferred.

Key Characteristics

The key characteristics of restructuring transactions are:

- Their non-purchase nature;
- Transfers of an integrated set of assets and/or liabilities that are not random or unrelated; and
- Transfers of program or operating responsibilities related to the assets and liabilities transferred.

The key distinction between a restructuring transaction and an acquisition is that a restructuring transaction's non-purchase nature is reflected by the absence of consideration that is primarily based on the fair value of the individual assets and liabilities transferred.

Recognition and Measurement

Under Section PS 3430 the individual assets and liabilities transferred in a restructuring transaction would be derecognized by the transferor and recognized by the recipient at their carrying amounts with applicable adjustments. The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction would be recognized as revenue or as an expense. In addition:

- Any costs incurred related to the restructuring would be expensed when incurred;
- The accounting policies and circumstances of the recipient at the restructuring date would determine the initial classification of the individual assets and liabilities received in the restructuring transaction;
- The net effect of a restructuring transaction is presented as a separate revenue or expense item in the statement of operations;
- Financial position and results of operations prior to the restructuring date would not be restated; and
- A transferor and a recipient need to disclose sufficient information to enable financial statement users to assess the nature and financial effects of a restructuring transaction on their financial position and operations. Disclosure of information about the transferred assets, liabilities and related operations prior to restructuring date is encouraged but not required.

Transition

This Section only applies to new restructuring transactions that occur in fiscal years beginning on or after April 1, 2018. Earlier adoption is permitted.

Standards Effective April 1, 2019

Financial Instruments, Foreign Currency, Financial Statement Presentation and Portfolio Investments

During 2015, the Board delayed the effective date for Sections PS 3450, *Financial Instruments,* and PS 2601, *Foreign Currency Translation*. These Sections are now applicable for fiscal years beginning on or after April 1, 2019, for public sector entities that did not previously apply the CPA Canada Handbook – Accounting prior to adopting the PSA Handbook. Therefore, public sector entities that meet this criteria, such as governments, will apply these Sections for the first time to their March 31, 2020 year ends (for governments with calendar year ends, December 31, 2020 will be the first year end affected). At the same time public sector entities adopt these two Sections, they must also adopt Section PS 1201, *Financial Statement Presentation*, Section PS 3041, *Portfolio Investments*, and the effective interest method outlined in paragraph .25 of Section PS 3050, *Loans Receivable*. For more details on these standards please refer to our publication "A Guide to Accounting for Financial Instruments in the Public Sector".

Part of the delay of the effective date for these standards was due to concerns raised by the senior levels of government regarding the guidance in the financial instruments standards not meeting their needs for hedge accounting. Over the past year, PSAB has carried out consultations with governments and not-for-profits to understand how financial instruments are being used. They have identified certain timing issues in PS 3450 that may impact a government's surplus or deficit in a manner that does not represent the underlying hedging transaction. In August 2017, the Board issued an update on this project stating that they have been following the work of the International Public Sector Accounting Standards Board (IPSASB), which has developed a new financial instruments model that includes a hedging option and was designed for the public sector. PSAB believes that this standards would resolve the hedge accounting issues identified in Canada and they are currently considering the use of this standard.

Projects on the Go

The Board currently has a number of projects in progress which propose future changes to the PSA Handbook. The following provides a brief discussion of these projects.

Exposure Draft – Revenue

Currently, the PSA Handbook does not include a standard on overall revenue recognition. The PSA Handbook only contains guidance on specific transactions, such as taxation, government transfers, etc. As a result, many public sector entities need to consult other sources of GAAP when accounting for types of revenues for which the PSA Handbook does not provide specific guidance. The Board believes guidance in this area is needed as there is diversity in practice. In May 2017, the Board issued an Exposure Draft proposing a new standard, Section PS 3400, *Revenue*. This proposed standard would provide guidance on two main categories of revenue:

- Exchange transactions; and
- Unilateral (non-exchange) transactions.

Exchange Transactions

The proposed standard defines exchange transactions as transactions where goods or services are provided for consideration. These transactions create performance obligations for a public sector entity. A performance obligation is defined as an enforceable promise to provide goods or services to a payor.

Revenue from an exchange transaction would be recognized as the public sector entity satisfies the performance obligation. A performance obligation may be satisfied at a point in time or over a period of time. An exchange transaction would be evaluated to identify goods and services that are distinct and would be accounted for as a separate performance obligation. An example of an exchange transaction is a user fee charged by a municipality for providing water services.

Unilateral Transactions

The other category of revenue is unilateral (non-exchange) transactions. According to the proposed definition, unilateral revenues increase the economic resources of a public sector entity without a direct transfer of goods or services to a payor. The right to the economic resources is attributable to legislation grounded on a constitutional authority or delegated constitutional authority and an event entitling the public sector entity to recognize revenue.

Unilateral revenues are unique to the public sector as the authority to enact legislation is unique to governments. Unilateral revenues do not necessarily entitle the payor to a specific public service or benefit. Instead, the public sector entity's right to the revenue results from its constitutional powers that allow it to impose the unilateral revenue. Unilateral revenues do not contain performance obligations. A public sector entity would recognize unilateral revenues when it has authority to claim or retain an inflow of economic resources and there is a past event that gives rise to a claim of economic resources. A fine imposed by a municipality is an example of unilateral revenue.

Proposed Effective Date and Transition

The proposed Section would apply to fiscal years beginning on or after April 1, 2021, with earlier adoption permitted. The Section would be accounted for as a change in accounting policy applied retroactively with restatement of prior periods.

The Board is currently deliberating the responses received from the Exposure Draft and will then determine its next steps.

Exposure Draft – Asset Retirement Obligations

The PSA Handbook does not include a standard on asset retirement obligations, and as a result there are currently inconsistencies in how public sector entities account for such obligations. In March of 2017, the Board issued an Exposure Draft proposing a new Section on asset retirement obligations associated with tangible capital assets controlled by a public sector entity.

Recognition and Measurement

Under the proposed standard, an asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset controlled by a public sector entity. Asset retirement obligations associated with tangible capital assets include post-retirement operation, maintenance and monitoring costs. A liability for an asset retirement obligation would be recognized when all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

Recognition of asset retirement costs would be accomplished by increasing the carrying amount of the related tangible capital asset, or a component thereof, and then expensing this amount in a rational and systematic manner. A present value technique may be the best method of estimating the liability. Depending on the nature of a re-measurement and whether the asset remains in productive use, subsequent re-measurement of the liability could result in either a change in the carrying amount of the related tangible capital asset or a component thereof, or an expense. Asset retirement costs associated with an asset that is not recognized on the public sector entity's financial statements and those associated with an asset no longer in productive use would be expensed immediately.

Landfills

The Exposure Draft also proposes to include landfill related asset retirement obligations within the scope of this new standard so that all asset retirement obligations are accounted for consistently within the public sector. Under the proposals, existing Section PS 3270, *Solid Waste Landfill Closure and Post-closure Liability*, would be withdrawn and this would result in asset retirement obligations associated with landfills being recognized earlier than they are under the current guidance. Asset retirement obligations associated with controlled tangible capital assets that are no longer in productive use would also fall within the scope of this proposed new standard.

Amendments to Section PS 3260

Changes would be made to Section PS 3260, *Liability for Contaminated Sites*, to clarify what would fall within the scope of that standard vs. the scope of the proposed new asset retirement obligation standard. Additionally, under the proposed new standard any expected recoveries associated with the asset retirement obligation would not be netted against the liability. Currently Section PS 3260 allows recoveries to be netted against the liability. Under the proposals, PS 3260 would be amended to no longer allow netting, which would ensure these two standards are consistent.

Proposed Effective Date and Transition

The proposed Section would apply to fiscal years beginning on or after April 1, 2021, with earlier adoption permitted. Transitional provisions have been proposed to help simplify adoption.

The Board is currently deliberating the responses received from the Exposure Draft and will then determine next steps.

Invitation to Comment – Employment Benefits

A project on employee benefits was identified as a top priority in PSAB's 2014 Project Priority Survey. The project will review existing Sections PS 3250, *Retirement Benefits*, and PS 3255, *Post-employment Benefits*, *Compensated Absences and Termination Benefits*. Since these Sections were originally issued many years ago, new types of pension plans have been introduced and there have been changes in the related accounting concepts. The first part of this project will involve looking at issues such as deferral of experience gains and losses and discount rates. The second part will address accounting for shared risk plans, multi-employer defined benefit plans, vested sick leave benefits and other improvements. The Board plans to issue a new comprehensive Handbook Section on employment benefits that will replace the two existing Sections.

In February 2017, the Board issued an Invitation to Comment on the deferral provisions in Sections PS 3250 and PS 3255. The purpose was to explain why the Board is considering whether the deferral provisions in the standards are still appropriate, to identify potential alternatives and related considerations and to seek stakeholder input prior to the Board establishing its preliminary views on the issue. A separate Invitation to Comment on discount rates is expected to be issued in the fourth quarter of 2017. The Board is currently deliberating comments received on the first Invitation to Comment and is also looking at ways to streamline the process of this project.

Statement of Principles – Public Private Partnerships

Another issue that was identified as a priority in PSAB's 2014 Project Priority Survey was public private partnerships. These types of arrangements are becoming more common across Canada as government entities look for new ways to finance capital projects and authoritative guidance on how to account for them is needed. As a result, the Board approved a project on this topic with the goal of developing a new Standard. During July 2017, the Board issued a Statement of Principles on this topic. The proposals explain that public private partnerships that would be within the scope of the proposed new standard include infrastructure that is procured by a public sector entity using a private sector partner whose obligations include:

- A requirement to build;
- Acquire;
- Improve or refurbish;
- Finance; and
- Maintain and / or operate the infrastructure.

Infrastructure Asset

The public sector entity would recognize the infrastructure as an asset on its financial statements when it controls the infrastructure. The criteria for control would be met when the public sector entity controls:

- The purpose and use of the infrastructure;
- Access to the infrastructure and the price, if any, that the private sector entity can charge to provide an associated service; and
- Any significant residual interest in the infrastructure at the end of the public private partnership's term.

Liability

The public sector entity would recognize a liability when the public private partnership gives rise to an obligation where the public sector entity is required to sacrifices future economic benefits. The infrastructure asset and the associated liability would be measured initially at cost. The infrastructure asset would then be expensed in a rational and systematic manner over the period the economic benefit is generated. Where there is financial consideration, the liability would be reduced as the consideration is paid to the private sector partner. For non-financial consideration where the private sector partner is granted the right to earn revenue, the liability would be reduced and revenue would be recorded by the public sector partner in a rational and systematic manner as the related performance obligation is satisfied.

The board will be seeking comments on this Statement of Principles until October 17, 2017 and after that will review the feedback received and determine next steps.

Public Sector Accounting Discussion Group

The Public Sector Accounting Discussion Group (PSADG) is a regular public forum at which issues arising on the application of the PSA Handbook can be discussed. The group meets two times a year and consists of members that include preparers, auditors and users of government and government organization financial reports. The group's purpose is to assist the Board regarding issues arising on the application of the PSA Handbook and to gather information to advise the Board on priorities and possible agenda items for its consideration. Recently, the group's mandate was updated to allow it to also discuss emerging issues and other public sector financial reporting issues. While the group does not issue any authoritative guidance or interpretations, as only the Board has the ability to do so, the group's meeting summaries provide meaningful insights on the application of the standards that can be used as a resource. These meeting summaries are available on the FRAS Canada website or by clicking here. During the group's November 2016 and March 2017 meetings, the following topics were discussed:

- **Whether an Investment Holding Company can be a Government Business Enterprise** - Discussion on the nature of an investment holding company in the public sector, which may hold investments in government business enterprises, government business partnerships or portfolio investments, and whether the investment holding company can meet the definition of a government business enterprise;
- **Scope of the Public Sector** - Discussion on how to apply the *Introduction to Public Sector Accounting Standards* in determining the standards to be applied by a not-for-profit organization that is a subsidiary of a government controlled not-for-profit organizations;
- **Recognition Prohibitions and Urban Forests** - Discussion on whether urban forests can be recognized as assets in public sector financial statements;
- **Recognition Prohibitions and Early Intervention Investments** - Discussion on whether early intervention investments can be recognized as assets in public sector financial statements;
- **Shared Control** - Discussion on the application of guidance for determining shared control in relation to government partnerships;
- **Trusts and Holding Companies – Economic Substance** - Discussion of the economic substance of trusts and holding companies for the purposes of applying Section PS 1300, *Government Reporting Entity*, which builds on the previous discussion of whether an investment holding company can be a Government Business Enterprise;
- **Foreign Currency Debt – Rates and Hedges** - Discussion of selected issues relating to foreign currency denominated debt for government departments and organizations; and
- **Authority to Pay and Transfer Receivables** - Discussion on whether the timing of recognition of a transfer receivable must always consider if the transferor's authority to pay is in place.

We would encourage public sector entities to keep up to date on topics discussed at these meetings.

Conclusion

As we head closer to the end of the year, now is the time to discuss with your BDO advisor how the changes made to the PSA Handbook and the proposed changes affect your organization.