

Montreal, June 30, 2021

Michael Puskaric, CPA, CMA  
Director, Public Sector Accounting  
Public Sector Accounting Board  
277 Wellington Street West  
Toronto, ON M5V 3H2

Mr. Puskaric,

Please find enclosed the comments of the Technical working group on the public sector – Public sector accounting of the Ordre des comptables professionnels agréés du Québec on the Exposure Draft, “Consequential Amendments Arising from the Financial Statement Presentation Standard, Proposed Section PS 1202.”

We would appreciate receiving a copy of the English translation of our comments.

Please note that neither the Ordre des comptables professionnels agréés du Québec nor any of the persons involved in preparing the comments shall have any liability in relation to their use, and no guarantee whatsoever shall be provided regarding these comments, as specified in the following disclaimer.

Yours truly,

Annie Smargiassi, CPA auditor, CA  
Representative of the Technical working group on the public sector – Public sector  
accounting

Encl. Disclaimer and comments

## **DISCLAIMER**

Subject to the conditions described herein, the documents prepared by the working groups of the Ordre des comptables professionnels agréés du Québec (the Order), hereinafter referred to as the “comments,” provide the opinion of the groups on statements of principles, consultation papers, associates’ drafts and exposure drafts issued by the Accounting Standards Board, Auditing and Assurance Standards Board, Public Sector Accounting Board, Risk Management and Governance Board, and other organizations.

The comments submitted should not be relied upon as a substitute for engagements entrusted to professionals with specialized knowledge in their field. It is important to note that the legislation, standards and rules on which the comments are based may change at any time and that, in some cases, the comments may be controversial.

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## **TERMS OF REFERENCE OF THE WORKING GROUPS**

The terms of reference of the working groups of the Ordre des comptables professionnels agréés du Québec are to collect and channel the views of practitioners and members in business, industry, government and education, as well as those of other persons working in related areas of expertise.

For each exposure draft or other document reviewed, the working group members share the results of their analysis. Consequently, the comments below reflect the views expressed and, unless otherwise specified, all of the working group members agree on these comments.

The Order has not acted upon and is not responsible for the comments expressed by the working groups.

## PSAB'S SPECIFIC QUESTION

### *Do you agree with the consequential amendments outlined in this Exposure Draft?*

Members felt that identifying all the necessary consequential amendments would have required a huge amount of work which, unfortunately, they were unable to do.

However, they agree with the proposed amendments, subject to the comments below.

Members are concerned about the terminology changes to Section 3450 and the introduction of “financial instrument assets” and “financial instrument liabilities.” Members repeated their concern about the use of certain terms from accounting frameworks for private entities, specifically the use of “financial assets” and “financial liabilities” for items whose definition differs from the one used in the private sector. They felt it would have been better to keep the terminology for financial instruments closer to the terminology used in the private sector standards and, instead, change the terminology for items that are different and concepts that are distinct in the public sector.

Regarding the consequential amendments to Section 3410, members feel that monitoring and auditing the application of this guidance would be burdensome, and that follow-up would be particularly tedious for some public sector entities. Members would like these concepts and guidance to be simplified.

Members also wondered what information should be provided on changes in the classification of financial statement categories and reclassifications. They feel that the Exposure Draft is unclear on disclosures required for all these reporting model changes.