

# Government of Canada Central Accounting and Reporting Activities

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Conference

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# Session Speakers

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# SESSION OBJECTIVES

- Provide a general understanding and information on the GoC accounting and reporting:
  - Accounts of Canada (general ledger)
  - Quality Assurance Activities
  - Monthly Statement of Financial Operations (MSFO)
  - Public Accounts (PA) of Canada

# Background

Receiver General's mandate (According to sections 63, 64 & 65 of FAA) includes Central Accounting and Reporting Activities:

- Accounts of Canada Maintenance
- GofC Monthly and Annual Consolidated Financial Statements

# Financial Administration Act (FAA)

- Section 63 - Accounts of Canada Maintenance
  - Section 64 - Contents of Public Accounts and PA Submission to Parliament
  - Section 65 - Authority to request additional Financial Information
- \*\* Note: Form and content is determined by TBS and Finance

# Accounts of Canada

- Definition of the Accounts of Canada
- Providing advice and guidance on the COA
- Purpose of the GW-COA
- Users of the GW-COA
- GW-COA Change Process
- GW-COA Codes and Related Information

# Background Information

## Accounts of Canada – A Definition:

- Centralized records of the Government's financial transactions maintained by the RG in which the transactions of all departments and agencies are summarized
- Use financial coding elements from the GW-COA
- GW Chart of Accounts is maintained by the RG

# Purpose of GW Chart of Accounts

- Framework for Identifying, Aggregating and Reporting Financial Transactions to Satisfy the Government of Canada's Corporate Information Requirements
- Codes Comprise the GW-Coding Block used for the CFMRS Trial Balance

# GW – COA Financial Coding Block

<b>Dept/Agency</b>	<b>Financial Reporting</b>	<b>Authority</b>	<b>Activity (GWAC)</b>	<b>Object (ECON)</b>	<b>Int/Ext</b>
3 digits	5 digits	4 digits	5 digits	4 digits	1 digit
DDD	FFFFF	AAAA	PPPPP	OOOO	I

The following codes make up a complete line of coding in the FCB and are included in the Trial Balances.

# Users of the GW

## – Chart of Accounts

- Members of Parliament
- Central Agencies involved in the Financial Reporting (RG, TBS, Finance) and Decision Making
- Additional stakeholders may include Privy Council Office and Statistics Canada

Note: Departments and agencies **MUST** use the GW-COA codes and should do so based on supporting documentation

# GW – COA Change Process

- RG is the single point-of-contact for COA changes
- Changes must be reviewed & approved
- COA updates (various formats) using Web-Based Database
- On-going Updates

# Quality Assurance Activities

- Monitor Coding Relationships with CFMRS
- Prepare/Produce Monthly Exception Reports
- Verify Opening and Closing Balances
- Assist and provide Guidance (On-going Basis)

# Monthly Statements of Financial Operations (MSFO)

- Purpose and Content of MSFO
- Users of the Financial Information included in the MSFO
- MSFO Detailed Production Process
- MSFO Tables and Reports

# Purpose and Content of MSFO

- The Monthly Statements of Financial Operations (MSFO) are the Consolidated Financial Statements of the Government of Canada
- Un-audited Statements prepared on a Monthly Basis
- Distribution includes Parliament, Public and Other Governments
- Prepared by the RG and are approved/issued by the Dept of Finance

# Users of the MSFO

- Receiver General
- Department of Finance
- Treasury Board Secretariat
- Bank of Canada
- Statistics Canada

# MSFO Detailed Production Process

- MSFO: On average the MSFO is scheduled to be produced by the twenty fifth working day after month end. This is a working document used in the production of the Fiscal Monitor.
- Fiscal Monitor: Commitment to the International Monetary Fund to release by the twentieth calendar day of the second month.

# MSFO Detailed Production Process (cont'd)

- Aggregate Data collected by the CFMRS is loaded in the format utilized in all MSFO Tables except Table III
- Post-closing-entries (PCE) are used to correct Errors or Omissions in the Financial Data contained in Departmental Trial Balances
- The sum of CFMRS Trial Balance and PCE Values produce the Financial Data contained in the MSFO and Fiscal Monitor

# MSFO Tables and Reports

- Table I - Summary Statement of Financial Transactions
- Table II - Detailed Statement of Financial Transactions
- Table III - Departmental Expenditure Detail
- Table IV - Statement of Financial Position (Balance Sheet)

# MSFO Tables and Reports (cont'd)

- Tables 10 to 19 – Other
- Tables 21 to 25 - Fiscal Monitor Tables
- Tables 30+ - New accrual tables

# Public Accounts (PA) of Canada

- Purpose and Content of the PA
- Users of the Financial Information included in the PA
- Description of the PA Volumes, Tables & Content;
- Detailed Process to produce the Public Accounts (Consolidated Financial Statements)

# Purpose of the Public Accounts (PA)

- The Public Accounts of Canada is the Consolidated Financial Report for the Government of Canada prepared each Fiscal Year by the Receiver General as required by Sect. 64 of the FAA.
- The Purpose of the PA is to provide Information to Parliament, and thus to the Public, to facilitate an Understanding and Evaluation of the full nature and extent of the Financial Affairs and Resources for which the Government is responsible.

# Content of the Public Accounts of Canada

- Responsibility of the Treasury Board Secretariat
- Summary (2 Separate Volumes + Additional Info on the Web)
- Volume I: Audited Financial Statements
- Volume II, Part I: Financial Operations of each Ministry
- Volume II, Part II: Miscellaneous Information and Analyses

# PA Detailed Production Process

- Preparation Phase :
  - Assessment of Environment
  - Define and Communicate reporting requirements
- Production Phase:
  - Collect Data
  - Produce Public Accounts
- Publishing Phase:
  - Print Public Accounts

# PA Detailed Production Process (cont'd)

## Preparation Phase:

- Assessment of Environment:
  - Conduct post mortem meetings with Central Agencies and Departments
  - Review and analyze documentation for new or changed financial reporting requirements.
  - Update the Public Accounts Instructions Manual (PAIM)

# PA Detailed Production Process (cont'd)

## Preparation Phase (cont'd):

- Define and Communicate Reporting Requirements:
  - Update Departmental contact details
  - Issue PAIM and other RG communication related to Public Accounts (ie. Letters of Representation)
  - Prepare and issue proforma forms and plates to departments
  - Provide briefing sessions to departments.

# PA Detailed Production Process (cont'd)

## Production Phase:

- Collect Data;
  - During production, provide advice and functional direction to departments concerning the requirements contained in the PAIM
  - Collect all required information (forms and plates) in accordance with the established dates in the PAIM.

# PA Detailed Production Process (cont'd)

## Production Phase (cont'd)

- Produce PA:
  - Prepare all statements in tables using lotus spreadsheet for figures
  - Import statement and tables in Ventura Desktop Publishing and incorporate text
  - Produce all volumes of the Public Accounts in both official languages
  - Provide information to Treasury Board and the Auditor General for review, comments and audit.

# PA Detailed Production Process (cont'd)

## Publishing Phase:

- Print Public Accounts:
  - Prepare camera ready copy to be used by the printer
  - Verify blue prints
  - Coordinate the distribution in accordance with the tabling date
  - Prepare internet version

# PA of the Future...

- The OAG, as well as Finance and TBS all agree that the form and content of the PA should be simplified and streamlined
- Need to determine the “new presentation” for the PA in consultation with the Public Accounts Committee (a Parliamentary committee)
- Explore new technologies and processes for the production of the PA (i.e. Web applications, XML, XBRL)

# Quality of Financial Information

- Modified cash is used for appropriation accounting while government-wide reporting is on full accrual basis
- Departments are accruing more & more each year
- Quality Assurance are continuously improving on coding combinations
- On-going review of financial codes and streamlining of GW coding for more consistency

# Year End Acceleration

- The timeliness of GoC financial statements (Public Accounts) need to be improved. TBS is the driver on the issue and will address. Major concerns include:
  - The timing for reporting of Tax Revenues (the deadline for tax preparation does not correspond with the fiscal year for reporting purposes)
  - The timing for the Tabling of the Public Accounts in the House of Commons corresponds with summer recess (we must wait for the fall even if ready in summer)

# Additional References

- Government of Canada

<http://www.gc.ca>

- Public Works and Government Services Canada

<http://www.pwgsc.gc.ca/text/home-e.html>

- Receiver General for Canada (Chart of Accounts and Public Accounts)

<http://www.pwgsc.gc.ca/recgen/text/home-e.html>

- Treasury Board Secretariat

<http://www.tbs-sct.gc.ca>

## Additional References (cont'd)

- Department of Finance Canada (MSFO)

<http://www.fin.gc.ca/fin-eng.html>

- Bank of Canada

<http://www.bankofcanada.ca/en/>

- Auditor General of Canada, Office of the

<http://www.oag-bvg.gc.ca/domino/oag-bvg.nsf/html/menue.html>

- Parliament

<http://www.parl.gc.ca/common/index.asp?Language=E&parl=37&ses=1>