

PSAB/Asset Management

LAUNCH OF THE MFOA - AMCTO PSAB/ASSET MANAGEMENT NEWSLETTER CAMPAIGN

As you are aware, the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA) has approved important changes with respect to municipal accounting practices. Beginning with the fiscal year 2009, municipalities will be required to report on their tangible capital assets and we will be moving from a modified accrual format to full accrual accounting with new financial statements. The Municipal Finance Officers' Association ([MFOA](#)) and the Association of Municipal Managers, Clerks and Treasurers of Ontario ([AMCTO](#)), have collaborated in a strategic partnership to provide ongoing assistance for municipal staff that will have to deal with these reporting changes.

Work done with regard to assets will provide a firm foundation for undertaking asset management plans, which will assist in long-term financial planning.

AMCTO and MFOA are launching a PSAB/Asset Management information and education campaign to provide you, our members, with timely, useful and accurate advice and information on PSAB changes, asset management and long-term financial planning. The Asset Management Newsletter - a focal point of this campaign - will be distributed over the next 18 to 24 months, in partnership with several leading municipal associations including:

- Ontario Municipal Administrators Association ([OMAA](#)),
- Ontario Good Roads Association ([OGRA](#)), and staff from the
- Ontario Municipal CAO's Benchmarking Initiative ([OMBI](#))

What Is The Purpose of the Newsletter?

There are several objectives that we have for the Newsletters. First, we want to help our members understand the new accounting changes and offer timely guidance about what you should be doing and when you should be doing it. Our goal is that all of our members are in a position to comply with the new reporting requirements by 2009.

At the same time, we hope that the newsletters will assist our members in communicating the upcoming changes to their senior management teams, CAOs and Councils.

Given the work to be done around asset inventories, the Newsletters will encourage our members to use those inventories as the basis for comprehensive asset management plans. An asset management plan should be viewed as a strategic management tool which will also help inform various financial decisions that could include:

- Review of user fee policies and rates,
- Reserve fund adequacy analyses
- Debt management strategies,

Our ultimate goal is to encourage long-term financial planning where asset management is a key component.

What Topics Will The Newsletters Cover?

Newsletters will cover a wide range of issues. In preparing the Newsletters, we will be mindful of covering first things first. Early Newsletters will focus on basic information on PSAB changes what you should be doing now. Later editions will deal with more technical issues such as asset valuation and depreciation and budgeting under PSAB. Once these issues are covered, the focus will shift to asset management and, possibly, financing strategies.

What Other Training Will Be Provided?

Newsletters will be an important tool for disseminating advice and guidance, but they will not be the only tool we use. In addition, there will be:

- Training sessions offered by municipal associations and others. Look for announcements soon on our first concrete training session with regard to PSAB changes.
- A revised OMBI guide and detailed training that draws on the experience of the OMBI pilot municipalities
- Guidance from the CICA
- One Stop PSAB/Asset Management website for quick and easy reference

We hope that the Newsletters will be useful. We encourage your comments and feedback as well as suggestions for topics to be covered.

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