



PSAB – PS3150

Provincial Actions / Activities

MFOA Annual Conference
September 21, 2006

Ministry of Municipal Affairs and Housing



Why Support PSAB 3150 Principles?

- **Will improve transparency and accountability**
- **Will provide an improved basis for financial management and budgeting**
- **To comply, municipalities will need to inventory and value assets**
 - **Allows for more informed basis for decision making**
 - **Links with financial reporting – accountability for the proper use and stewardship of publicly owned capital assets**



What has the Province Done?

- **The province appreciates the challenges that PS3150 presents**
 - Both Ontario and Canada have already migrated to the new reporting standard
- **To assist municipalities the province has:**
 - Fully funded OMBI Guide (<http://www.ombi.ca/accounting.asp>)
 - Included an asset management guide as part of the provincial gas tax funding model and allowed asset management as an eligible expense under this program
 - e.g. OGRA Municipal DataWorks
 - Under Canada-Ontario Municipal Rural Infrastructure Fund (COMRIF), federal and Ontario governments have dedicated up to 1% of COMRIF funding for asset management



What Provincial-Municipal Coordination Exists?

- **MMAH and MFOA co-chair an Asset Management Co-ordinating Committee to organize and share information on asset management, accounting, reporting and regulatory changes**
- **Full range of municipal associations, external boards and provincial ministries interested in the issue are involved – e.g. AMCTO, MFOA, OMAA, PSAB**



What is the Province Planning in Future?

- **Results from the 6 OMBI pilots are expected to provide insight into nature and magnitude of budget and financial reporting issues**
- **Recognition of need to align regulations to be developed for SWSSA with the new PSAB requirements**
- **The province will consider legislative and/or regulatory changes to address potential budgeting or financial reporting impacts – will be looking to discuss with the sector**
- **Work will soon be underway to consider other provincial implications – e.g. ARL, MPMP, FIR, etc reporting**



Concluding Thoughts

- **PSAB 3150 is coming – municipalities need to invest some resources now to be ready in time**
- **Asset Management is a best practice activity that is increasingly expected of municipalities**
- **Municipal associations are responding to assist, with provincial involvement**
- **The province is aware of and preparing for potential legislative and/or regulatory changes that may be necessary – and will be discussing with the municipal sector**