FW: IESO

From: "Picard, Michel" <mpicard@kpmg.ca>
To: "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>, Kim Marshall <kim.marshall@ieso.ca>
Date: Thu, 02 Feb 2017 16:25:55 -0500
Attachments: Item 5(ii) - Accounting Standards-Final.docx (97.58 kB)

Kim,

When I look at the definition of GBE, I believe that IESO should be able to fit in it. That would be really helpful as IESO plus market books would be able to get regulatory accounting through IFRS. Market books already record regulatory accounting.

I think this is worth exploring. View?

Defining a government business enterprise

.28 A government business enterprise is an organization that has all of the following characteristics:

(a) it is a separate legal entity with the power to contract in its own name and that can sue and be sued;

(b) it has been delegated the financial and operational authority to carry on a business;

(c) it sells goods and services to individuals and organizations outside of the government reporting entity as its principal activity; and

(d) it can, in the normal course of its operations, maintain its operations and meet its liabilities from revenues received from sources outside of the government reporting entity.?

.29 Selling goods and services involves a direct exchange relationship between the revenues and the goods and services provided. Selling prices are related to the quantity and quality of goods or services sold, and not just to the recovery of administrative costs. Imposed fees and penalties, such as licenses and fines, do not represent sales of goods and services. Insurance premiums charged by a government organization are a sale of a service and not an imposed fee.

.30 A government business enterprise should, in the normal course of its operations, be able to maintain its operations and meet its liabilities from revenues received from sources outside of the government reporting entity. These revenues include not only amounts from the sale of goods and services, but also transfers [3] received from other governments or sources outside of the government reporting entity.

From: Kim Marshall [mailto:Kim.Marshall@ieso.ca]
Sent: Thursday, February 02, 2017 3:14 PM
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Subject: RE: IESO

Here is analysis which was done in 2015 which resulted in psab, and ogo. I believe was reviewed with Nadine at the time as well.

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From: Picard, Michel [mailto:mpicard@kpmg.ca]
Sent: February 02, 2017 3:10 PM
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Subject: IESO

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Kim, Cindy,

WSIB is a GBE and reports under IFRS. Why is IESO not a GBE? Is there any analysis on this? GBEs report under IFRS and are allowed to use regulatory accounting – ie regulatory assets.

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