

Welcome to our Professional Development Day

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Ottawa-Outaouais

Finance Fundamentals: Public Accounts, Authorities and Charging for the CT-FIN Community

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Morning Agenda



8:00 am - 8:45 am	Breakfast & Networking
8:45 am - 9:00 am	Welcome and Housekeeping: PD Day Co-Leads, John Falbo and Shirley Xuan
9:00 am - 10:15 am	Keynote Speaker and Fireside Chat: Martin Krumins, Assistant Comptroller General; Dominique Osterrath Assistant Deputy Minister and CFO, NSERC/SSHRC
10:15 am - 10:30 am	Break
10:30 am - 12:00 pm	Public Sector Accounting and Financial Coding: Claire Lake, Niewe Consulting
12:00 pm - 1:00 pm	Lunch is served!



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Welcome and Housekeeping - PD Day Co-leads

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John Falbo



Shirley Xuan



Session 1

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Keynote speakers and Fireside Chat



Moderator: John Falbo



Martin Krumins

**Assistant Comptroller General,
Financial Management,
Office of the Comptroller General**



Dominique Osterrath

**Chief Financial Officer and Vice President
Natural Sciences and Engineering Research
Council of Canada (NSERC) / Social Sciences and
Humanities Research Council of Canada (SSHRC)**



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Break

Thank you to our Patrons



Session 2

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Public Sector Accounting and Financial Coding





Claire Lake
Partner,
Niewe Consulting

Public Sector Accounting and Financial Coding

FMI PROFESSIONAL DEVELOPMENT DAY

SEPTEMBER 24, 2025

AGENDA

Today's Schedule

Agenda Item
Speaker Introduction and Session Objectives
Public Accounts
Chart of Accounts and Financial Coding
Fails in Public Sector Accounting
Public Sector Accounting Framework Updates
Questions

Introduction

Meet the Presenter

Claire Lake
Partner



Claire Lake
Founding Partner, Nīewe Consulting

WORKSHOP OBJECTIVES

What We Will Accomplish Today



Understand the purpose and importance of public accounts



Develop practical knowledge of the chart of accounts and financial coding



Understand recent changes to the Public Sector Accounting Framework


Public Accounts


WHAT ARE PUBLIC ACCOUNTS?


HOW BIG IS CANADA'S PUBLIC SECTOR?

Public Accounts

Before we dive into the Public Accounts – let's first get some GoC context, in FY 2025:

- 

What was total the total GoC spend? **~\$486.9 billion**
- 

There were how many federal public servants? **>357,965**
- 

The GoC ranks where in the largest "organizations" in Canada? **#1**

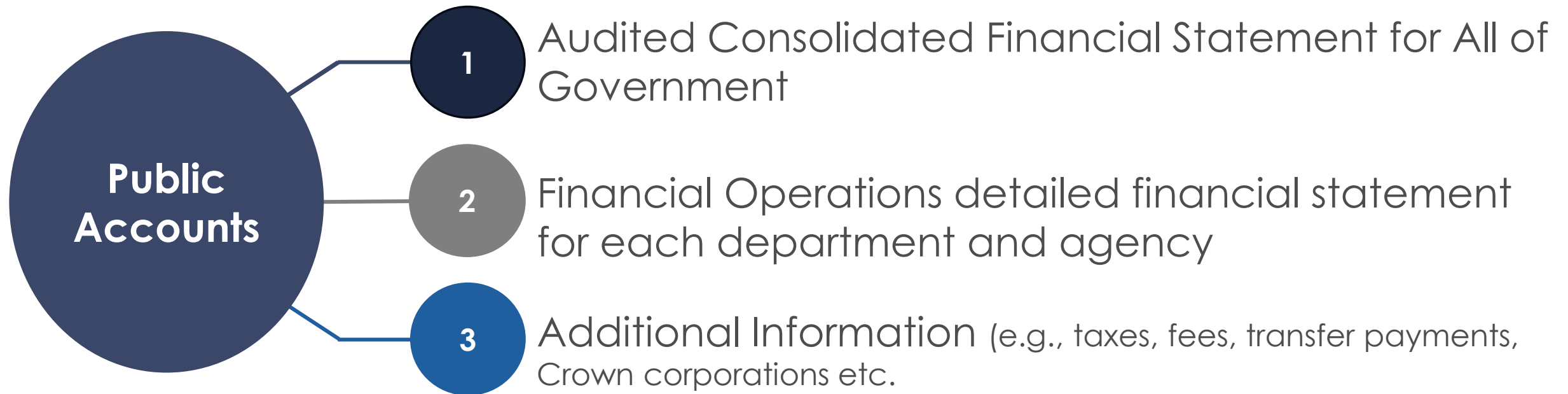
[The Government's Expenditure Plan and Main Estimates for 2025-26](#)

Hint: the Government of Canada is **BIG**

WHAT ARE PUBLIC ACCOUNTS?

Public Accounts

The **Public Accounts of Canada** are the Government of Canada's **financial statements**.

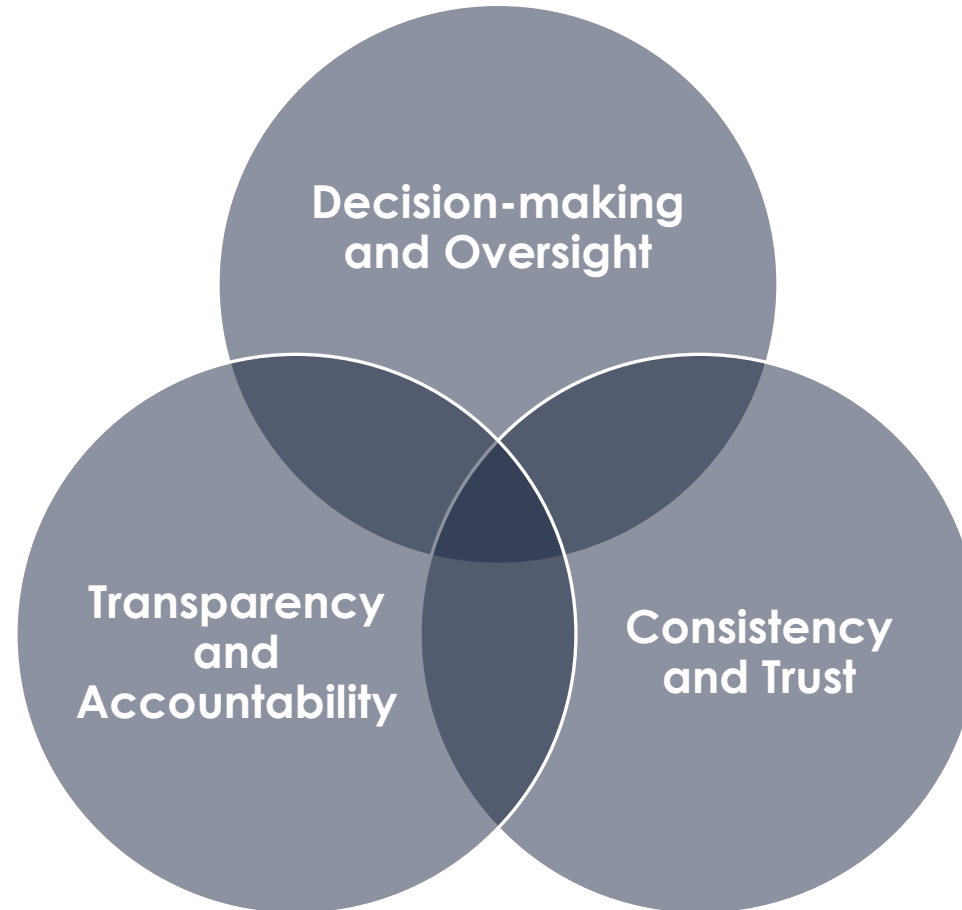


Public Accounts are the **report card** of the Government of Canada's Finances

WHY DO WE NEED THEM?

Public Accounts

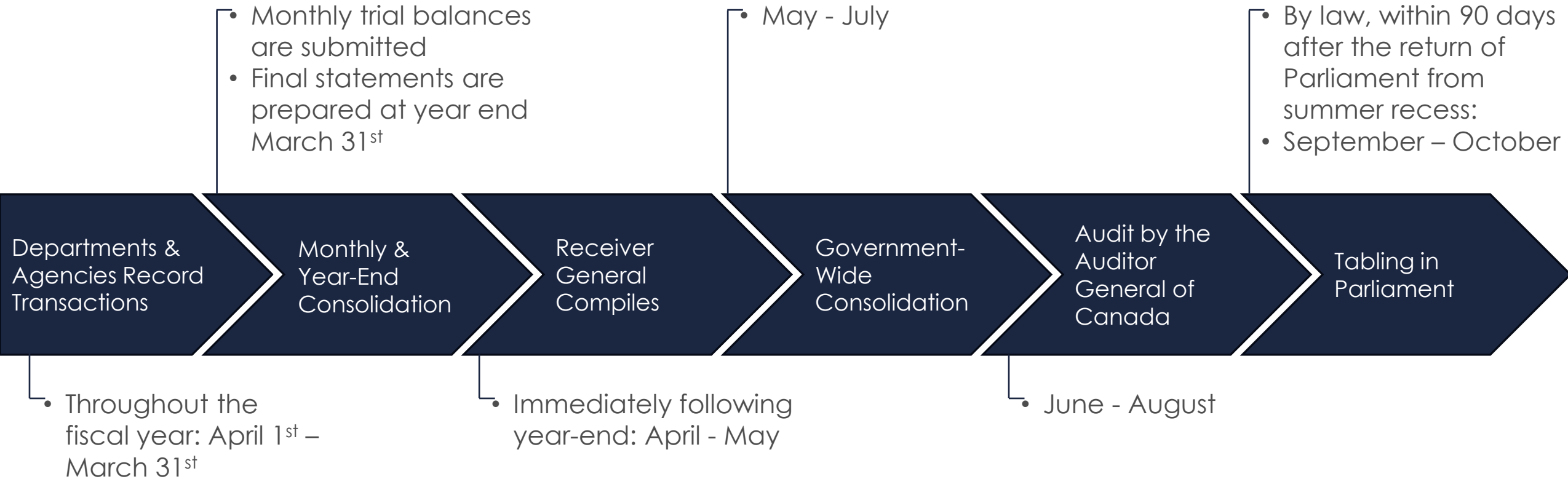
The **Public Accounts of Canada** are critical :



Public Accounts are how government proves it is a responsible steward of taxpayers' dollars

HOW ARE PUBLIC ACCOUNTS CREATED

Public Accounts



The process follows the federal government financial cycle

...Some transactions are 18 months old by the time the Public Accounts are tabled in Parliament

Given we are in the age of “real-time” information, is it still worthwhile producing the Public Accounts?



MATERIALITY

Public Accounts

- Auditor's Materiality Threshold is **0.5%**
- Based on the 2023-24 GoC Expenses (\$521B), the Materiality Threshold was **\$2.61B**
- Which departments truly impact the public accounts from a quantitative perspective

If only the largest errors in the largest departments have a material impact on the public accounts, why do we care about accuracy at the Departmental level?

MATERIALITY – WHY DEPARTMENTAL ACCURACY MATTERS

Public Accounts

Aggregated Impact Across Departments

Qualitative Materiality is Important

Accountability and Transparency

Compliance with Standards

Audit and Risk Management

Chart of Accounts and Coding

WHAT ARE CHART OF ACCOUNTS AND FINANCIAL
CODING?

WHAT ARE CHART OF ACCOUNTS?

Chart of Accounts

- A **standardized framework**, used across Federal Departments and Agencies to record, classify and report financial transactions
- Maintained by the **Receiver General for Canada**, with policy oversight from the Treasury Board Secretariat
- Used to **transmit monthly departmental trial balances** to the Central Financial Management Report System (CFMRS)

WHAT IS THE PURPOSE OF THE CHART OF ACCOUNTS?

Chart of Accounts



- Standardization and Consistency
- Enables Accurate Financial Reporting
- Transparency and Accountability
- Supports Budgeting and Forecasting
- Ensures Compliance and Control

HOW ARE CHARTS OF ACCOUNTS STRUCTURED?

Chart of Accounts

Responsibility

Financial Reporting Account

Authority

Program

Object Code

Transaction Type

Every transaction is recorded using these 6 elements – this is your financial coding

[Government-wide chart of accounts for Canada - Receiver General for Canada – PSPC](#)

Fails in Public Sector Accounting

WHAT ARE CHART OF ACCOUNTS?

OOPS...FAILS IN PUBLIC SECTOR ACCOUNTING

Chart of Accounts



Example 1: U.S. Department of Defense (2016)

What Happened? The U.S. Army's year-end financial statements showed **\$6.5 trillion in “accounting adjustments”**. These were essentially corrections to reconcile mismatched numbers between systems. Many adjustments were unsupported by proper documentation, auditors couldn't trace them back to real transactions.

Why Did It Happen? The Pentagon's financial systems were fragmented and outdated, making reconciliation extremely difficult. Instead of resolving mismatches at the source, accountants made huge “plug” entries to force the books to balance.

What was the Impact? The Department of Defense failed its audit, again. The public and Congress mocked the Pentagon for being unable to account for trillions in spending, and it became a symbol of waste and inefficiency in U.S. government accounting

Even “adjustments” and reconciliations must be supported - undocumented entries destroy credibility.

OOPS...FAILS IN PUBLIC SECTOR ACCOUNTING

Chart of Accounts



Example 2: UK Home Office (2006)

What Happened? The UK Home Office purchased **patrol boats** but accidentally recorded them under “**hospitality expenses**” in its accounts.

Why Did It Happen? Likely a coding error in the Chart of Accounts. Staff may have used the wrong “object code,” treating capital asset purchases as operating expenses.

What was the Impact? Opposition MPs and the media mocked the government for throwing “very lavish boat parties.” It highlighted how small coding errors can create absurd results in published financial statements.

Coding to the wrong “object” not only distorts reports but can create public embarrassment.

OOPS...FAILS IN PUBLIC SECTOR ACCOUNTING

Chart of Accounts



Example 3: Ontario Hydro (2017-2018)

<p>What Happened?</p>	<p>Ontario’s government launched the “Fair Hydro Plan” to cut electricity bills. To make the deficit look smaller, they used unconventional accounting treatments: The costs of subsidizing hydro rates were kept off the province’s books and recorded in Crown corporations instead. This accounting approach reduced reported deficits by billions.</p>
<p>Why Did It Happen?</p>	<p>The government argued it was consistent with public-sector standards. The Auditor General strongly disagreed, saying it “improperly hid billions in debt.”</p>
<p>What was the Impact?</p>	<p>The Auditor General refused to sign off, issuing a scathing report calling the accounts “not a fair representation” of Ontario’s finances. The controversy damaged trust in Ontario’s financial reporting.</p>

Accounting frameworks aren’t neutral - they can have major political and credibility consequences.

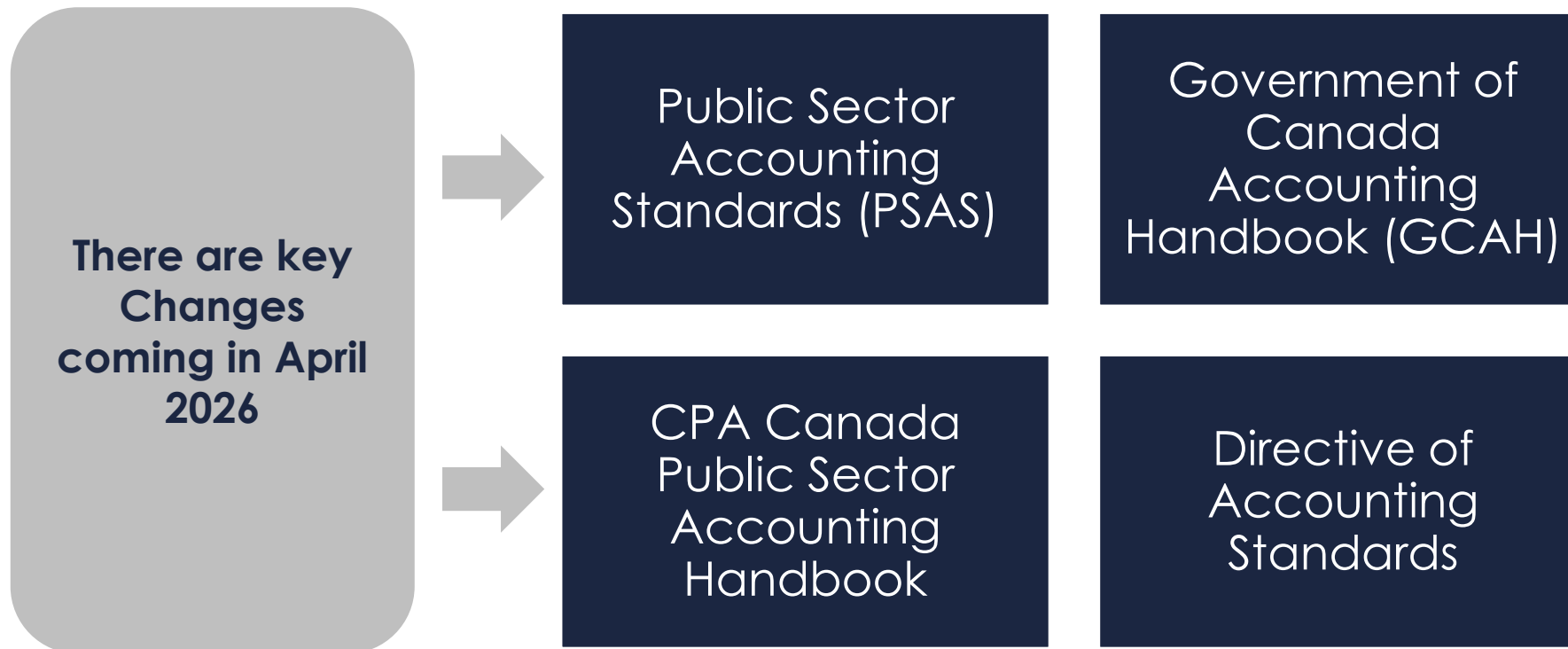
Public Sector Accounting Framework

WHAT IS IT?

WHAT IS THE PUBLIC SECTOR ACCOUNTING FRAMEWORK?

Public Sector Accounting Framework

The **Canadian federal public sector accounting framework** is a structured system that governs how financial information is recorded, reported, and audited across federal government entities.



PUBLIC SECTOR ACCOUNTING FRAMEWORK CHANGES

Public Sector Accounting Framework

Revised Conceptual Framework: *Effective April 1st, 2026*

What's Changed

Updates the foundation of PSAS

1. Objectives
2. Qualitative characteristics
3. Definitions of assets / liabilities
4. Recognition principles

Why it Matters

This will ripple through all standards and redefine how GoC thinks about financial position and performance

Impact

Expect revisions to definitions of net debt, assets (especially social benefits) and liabilities

This will change how departments interpret what counts as an asset or liability, evolving coding rules

PUBLIC SECTOR ACCOUNTING FRAMEWORK CHANGES

Public Sector Accounting Framework

PS 1202 – Financial Statement Presentation: *Effective April 1st, 2026*

What's Changed

Introduces a new reporting model to accompany the revised framework

1. Updates financial statement structure
2. Greater disclosure requirements
3. Clearer classification of revenues, expenses and net debt

Why it Matters

Changes makes government financial reporting easier to compare across jurisdictions and improves transparency

Impact

Staff will need to learn new financial statement line items and ensure transactions are coded to match the new classification

Proper coding is critical to financial statement accuracy

Almost Time for Lunch...

WRAPPING UP

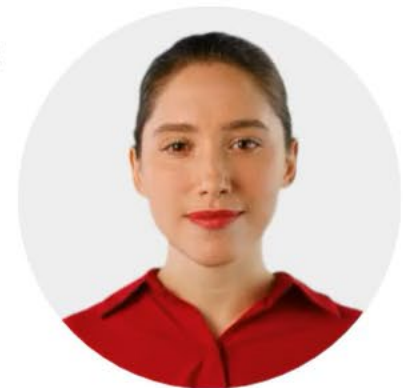
WANT TO LEARN MORE?

Chart of Accounts

The Chartered Institute of Public Finance and Accountancy (CIPFA), offers a course on **Public Sector Financial Reporting** – by the end of the course you should be able to:

- Gain insights into why PSAS stands out among accounting standards and frameworks
- Discover how these standards are used nationwide and what they mean for public service finance professionals Explore the nuances that set PSAS apart from other standards, including key similarities and differences with IFRS and IPSAS
- Master the most misunderstood and challenging PSAS standards
- Stay ahead with the latest standards updates and their impact on financial reporting
- Understand the complexities of public accounts and consolidation in various jurisdictions

Interested? Come speak to Claire or reach out via email at cipfa@niewe.ca or visit our webpage www.niewetraining.ca to learn more



CIPFA is the only accountancy body in the world dedicated exclusively to public sector finance

Questions?

Let's hear from you!



[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]



Lunch is Served

Thank you to our Patrons



Afternoon Agenda



1:00 pm – 2:30 pm

Public Accounts: John Daley, Lead; with Abdillahi Roble, and Hassan Markam

2:30 pm – 2:45 pm

Break

2:45 pm - 4:15 pm

Special Authorities and Charging: Shirley Xuan, Lead; with Julie Daoust, Evan French and Chantal Stewart

4:15 am - 4:30 am

Closing Remarks, PD Co-Leads

4:30 pm – 5:30 pm

Networking session and cocktails



Panel 1: Public Accounts



Panel Facilitator: John Daley
**Senior Director, Public Accounts and
Advisory Services**
Treasury Board of Canada Secretariat



Major Contributor: Nicole Meloche
**Senior Policy Analyst Accounting Policy
and Reporting**
Treasury Board of Canada Secretariat



Abdillahi Roble

**Senior Director, Receiver General for
Canada**

**Public Services and Procurement
Canada**



Hassan Markad

**A/Director, Financial Services, Grants and
Contributions, Internal Controls, External
Reporting and Corporate Accounting**

Public Safety of Canada



Roles and Responsibilities

Office of the Comptroller General

- Provide government-wide functional leadership regarding accounting standards and the preparation of the Public Accounts of Canada

Department of Finance

- Draft the Financial Statements Discussion and Analysis
- Responsible for the management and accounting of the government's debt management strategy
- Produce and release the Annual Financial Report

Receiver General

- Compile the data received from departments, agencies and Crown corporations
- Publish the *Public Accounts of Canada*

Office of the Auditor General

- Audit the Government's consolidated financial statements in the *Public Accounts of Canada*
- Provide separate audit opinions on Crown Corporations and other agencies
- Provide commentary on Financial Audits

Departments, Agencies and Crown corporation

- Maintain and report timely and accurate financial information
- Ensure the accuracy and reasonableness of key financial information, financial statements, disclosures and reports

President of Treasury Board

- Table in the House of Commons by the President of Treasury Board (FAA S.64(1))
- Form and content of the PA is a joint responsibility of the President of the TB and Minister of Finance (FAA S.64(2))

**Public
Accounts
of
Canada**

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PANEL 1: Public Accounts

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CASE STUDY





Break

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Panel 2: Special Authorities and Charging

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Panel Facilitator: Shirley Xuan



Julie Daoust

**Director, Corporate Resource
Management**

Health Canada



Evan French

Director, Costing Operations

Shared Services Canada



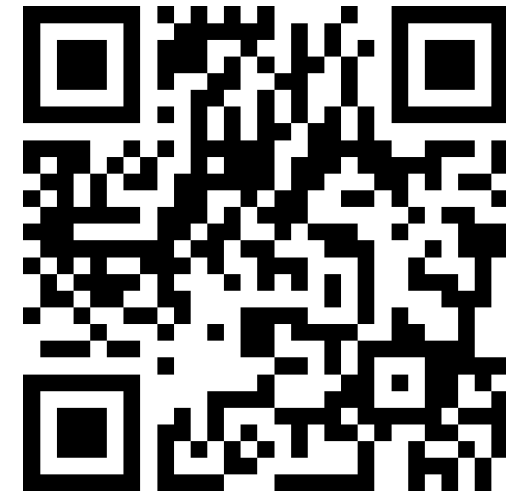
Chantal Stewart

**Assistant Director, Financial
Management, Passport Revolving Fund**

**Immigration, Refugee and Citizenship
Canada**



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CASE STUDY



Department of Green Initiatives

Background

The Department of Green Initiatives (DGI) is mandated to deliver environmental programs. To improve efficiency, DGI has developed a specialized data analytics platform that helps departments and industry (businesses, stakeholders) measure their carbon footprint and track energy savings. Several have expressed interest in using this platform.

The challenge:

- DGI must decide how to charge for this service.
- It must also determine whether it can respend the revenues or whether all revenues must go to the Consolidated Revenue Fund as non-respendable.
- The CFO has asked the financial team to propose a compliant and practical approach that ensures fairness while sustaining the platform.



Professional Development Day



Closing Remarks



Thank you to our Committee and Volunteers

John Falbo

Senior Financial Manager, Financial Policy
Corporate Accounting, Policy and Control
Royal Canadian Mounted Police

Shirley Xuan

Deputy Director, Financial Operations
NSERC (Natural Sciences and Engineering
Research Council of Canada), SSHRC (Social
Sciences and Humanities Research Council of
Canada)

Nicole Meloche CPA

Senior Policy Analyst, Government Accounting
Policy & Reporting, Treasury Board Secretariat

Sophie Caron

Director, Financial Advisory Services
Employment and Social Development Canada

Kami Ramcharan

Former Chief Financial Officer and Assistant
Commissioner, Canada Revenue Agency

Lihuan Huang

Intermediate Financial Planning, Analysis and
Reporting Analyst, Health Canada

Mohammad Bhojani

Senior Financial Analyst
Indigenous Services Canada

Drew McKenna

Assistant Director
Canada Revenue Agency

Su Dazé

Former Chief Financial Officer and Assistant
Deputy Minister, Infrastructure Canada



SAVE THE DATE

AI IN ACTION: TRANSFORMING COMPTROLLERSHIP IN THE PUBLIC SECTOR

FEB 25TH, 2026
NATIONAL ARTS CENTRE

Discover how artificial intelligence is reshaping financial management and accountability in the public sector.

- Real-world AI projects from federal departments
- Ethical and transparent AI practices for government
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- Engaging, interactive sessions with experts and peers
- Navigating responsible automation in government



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Networking & Cocktails