

**THE CORPORATION OF THE CITY OF WINDSOR
POLICY**

Service Area:	Finance & Technology, Office of the Chief Financial Officer & City Treasurer	Policy No.:	TBD
		Approval Date:	October 29, 2015
Department:	Financial Accounting	Approved By:	CR195/2015
Subject:	PSAB 3260 Contaminated Sites Accounting & Reporting Policy	Effective Date:	Immediate
		Procedure Ref.:	
Review Date:	November 2020	<i>Pages: 3</i>	Date:
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1. POLICY

1.1. The Corporation of the City of Windsor will utilize necessary and appropriate controls for the recording and reporting requirements of contaminated sites compliant with generally accepted accounting principles as outlined in the Public Sector Accounting Board (PSAB) standard 3260 Liability for Contaminated Site (compliance required by legislation).

2. PURPOSE

2.1. This policy will facilitate PSAB 3260 compliance by providing guidance for:

2.1.1. The recognition, measurement and disclosure of liabilities, within the City’s consolidated financial statements, resulting from responsibility for in-scope contaminated sites.

2.1.2. Inventory maintenance and continued accounting of all applicable contaminated sites.

2.2. This policy excludes any consideration of budgeting and/or funding aspects related to any and all costs associated with potential and/or identified contaminated sites.

3. SCOPE

3.1. This policy applies to all City of Windsor departments, agencies, boards and commissions (ABCs) funded by the City of Windsor, in whole or part, or whose governing body contains City of Windsor representation AND whose financial transactions are accounted for within the City of Windsor’s financial systems.

3.2. PSAB 3260 financial reporting is applicable only for sites that are **no longer** in productive use. These are also referred to as inactive sites.

4. RESPONSIBILITY

4.1. Mayor and Council are responsible to:

4.1.1. Ensure, through administration, that policies and procedures are in place to account for contaminated sites liabilities.

4.2. Corporate Leadership Team Members or designates are responsible to:

4.2.1. Ensure that their respective Executive Directors, and/or direct reports, comply with this policy and all related procedures that facilitate the identification, recording and reporting of contaminated sites.

4.3. The Chief Financial Officer & City Treasurer or designate is responsible for:

4.3.1. Compliance with PSAB 3260 reporting requirements for contaminated sites.

4.3.2. Providing an acceptable accounting structure that supports the recording of contaminated sites.

4.3.3. Utilizing a reasonable and cost effective approach to estimate the liabilities associated with contaminated sites that is acceptable to external auditors.

4.3.4. Management and maintaining the database of contaminated sites.

4.3.4.1. Liaise with departments responsible for the accuracy and integrity of site information.

4.3.5. Providing communication, training and on-going support on the use of this Policy and related procedures.

4.3.6. The review and update of this Policy, and associated procedures, at a minimum, every five years or sooner if required.

4.4. Executive Directors and ABC's CEO/CAO or designates are responsible to:

4.4.1. Identify potential contaminated sites for land/buildings designated under their responsibility and report to Finance.

4.4.2. Provide up to date, timely and accurate contaminated site information, to Finance, for database maintenance.

4.4.3. Review and sign an annual contaminated site statement as prepared by Finance.

- The statement is a declaration of accuracy and completeness of sites, within their area of responsibility, as support for the annual external audit.

5. GOVERNING RULES AND REGULATIONS

5.1. The identification of non-productive sites (no longer in use) is based on consideration and a risk based assessment of all facilities and land within Policy Scope Sec. 3.1. above.

5.2. All facilities and land within Policy Scope, Sec. 3.1, that are found to be contaminated or are at risk of contamination will be reported to Finance. Only sites that are **no longer** in productive use will be included in PSAB 3260 compliant financial reporting.

5.3. An accounting and reporting liability for remediation may result from items such as:

- All or part of an operation of the City that is no longer in productive use
- All or part of an operation for which the City accepts responsibility
- An environmental standard exists
- Contamination exceeds the environmental standard
- Changes to environmental standards

- An unexpected event resulting in contamination
- A reasonable estimate of the amount can be made.

5.4. The estimate of a remediation liability will include:

- Costs directly attributable to remediation activities
- Post-remediation operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site
- The estimate of assets acquired, or to be acquired, as part of remediation activities to the extent those assets have no alternative use.

5.5. The consolidated financial reporting will disclose information about:

- The nature and source of the liability
- The basis for the estimate of the liability
- When a net present value technique is used, the estimated total undiscounted expenditures and discount rate
- The reasons for not recognizing a liability; and
- The estimated recoveries.

5.6. The contaminated sites database will include, at a minimum:

- Site identification
- Productive vs. Un-productive (in-active)
- Location
- Name of department with oversight responsibility
- Type of contamination, environmental standard
- Financial information including criteria and assumptions related to the estimate of the liability
- Remediation status.

6. REFERENCES AND RELATED DOCUMENTS

6.1. Contaminated Sites Accounting & Reporting Procedure (In draft)