

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Contact: Nancy Leroux
Telephone: 01895 250353

REASON FOR REPORT

As reported previously, from 2010/11, Local Authorities' Statement of Accounts will be required to be prepared under an IFRS-based Code of practice on Local Authority Accounting. As the body charged with governance of the authority's Statement of Accounts, it is relevant that the detail of the project plan to implement the transition is reported to Audit Committee and that Committee are regularly updated with progress reports.

INFORMATION

The transition to IFRS is a challenge to the whole organisation and should not be underestimated. IFRS is not just about financial reporting, it also impacts on resources, budgets and systems and processes.

Timetable

Local authorities will be required to produce their accounts fully on an IFRS basis for the year 2010/11. However, to be ready for full implementation, we will have to produce the accounts for 2009/10 on an IFRS basis to provide comparator figures and additionally restate the closing Balance Sheet for 2008/09 to provide the opening figures for the 2009/10 accounts.

Progress Update

Over the last 3 months, work has continued on the key areas of impact as follows:

- Leases: All leases have been reviewed, and identified for reclassification as required.
- Group Accounts: The organisation's relationships have been examined for materiality and for the potentiality of group accounts. There are no changes to be made in this regard under IFRS.
- Restatement of Balance Sheet: Work to restate the Balance Sheet for 2008/09 under IFRS has now been completed.

Audit Commission Report: Countdown to IFRS

On 19 February 2010, the Audit Commission published a briefing for local authorities following a survey of the auditors of all local authorities in November 2009 on authorities' progress on their transition to IFRS.

Audit Committee 11 March 2010
PART 1 – MEMBERS, PUBLIC & PRESS

Their main findings were that only one in seven authorities was 'on track', and one in five was having serious difficulties. Authorities were also found to be behind the suggested timeline in CIPFA's LAAP Bulletin 80.

However, as reported regularly to Audit Committee, Hillingdon has a well developed project plan and implementation is on track and no serious difficulties are envisaged. Our external auditor, Deloitte, have confirmed this is the position.