

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Contact: Harry Lawson
Telephone: 01895 556578

REASON FOR REPORT

From 2010/11, Local Authorities' Statement of Accounts are required to be prepared under an IFRS-based Code of practice on Local Authority Accounting, This is part of a wider public sector move to align accounting standards for private, public and international entities. To enable the Council to comply with the implementation timetable, planning in Hillingdon started formally in July 2009.

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. This report follows the introductory report in September and update reports in December and March.

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, 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

In the March 2010 I reported that the 2008/09 Balance Sheet had been restated under IFRS, meeting the deadlines set by CIPFA in their LAAP 80 IFRS bulletin.

The next task is to restate the 2009/10 accounts under IFRS by December 2010. Accordingly, the focus since March has been on collecting the necessary data for this purpose during the closing period. The key information collected includes:

- Details of the annual leave carry over as at 31 March 2010 for all LBH and Schools staff.
- Strengthening the Flexi Leave carry over sample from 30% to 35%.

- Details of all leases held in schools.

Together with data collected beforehand, all the key information is now at hand to commence work in restating the 2009/10 accounts.