

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

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REASON FOR REPORT

From 2010/11, Local Authorities' Statement of Accounts are required to be prepared under an IFRS-based Code of practice.

As the body charged with governance of the authority's Statement of Accounts, it is important that progress towards full implementation is reported to Audit Committee. This report follows previous progress reports tabled in September 2009, December 2009, March 2010 and June 2010.

INFORMATION

The transition to IFRS is a major change to financial reporting and represents a challenge to the whole organisation. IFRS implementation will have an impact beyond the actual production of accounting statements; including 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, it will be necessary to restate the accounts for 2009/10 on an IFRS basis to provide comparator figures and also restate the closing Balance Sheet for 2008/09 to provide the opening figures for the 2009/10 accounts.

Progress Update

It was reported to Committee in March 2010 that the 2008/09 Balance Sheet had been restated under IFRS, meeting the deadlines set by CIPFA LAAP 80 IFRS bulletin. In the same bulletin, CIPFA recommended that the 2009/10 accounts should be restated under IFRS by December 2010.

With the 2009/10 statements (under SORP) audit now virtually completed, restated figures for 2009/10 have been drafted and the IFRS template prepared for the 2010/11 accounts. These figures will be finalised shortly and the accounting system updated to reflect this.

We are, therefore, on course to meet the remaining deadlines for the preparation of the 2010/11 accounts under IFRS. We are working closely with Deloitte on the transition, who will be undertaking an audit of the restated accounts in due course once the guidance has been finalised. This will allow any resulting

issues to be resolved prior to commencing the closedown of the 2010/11 accounts.