

**CHILTERN DISTRICT COUNCIL
AUDIT SUB COMMITTEE – 18 MARCH 2010**

Background Papers, if any, are specified at the end of the Report

**CONVERSION TO INTERNATIONAL FINANCIAL REPORTING
STANDARDS – PROGRESS UPDATE**

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RECOMMENDATIONS

That Members note the progress to date regarding preparation for the introduction of International Financial Reporting Standards.

Report

- 1 A previous report to Performance and Resources Overview dated 17 November 2009 informed Members of the requirement for local authorities to convert to International Financial Reporting Standards (IFRS) for the reporting of accounting information. That report highlighted the key changes, the implications for the Council's Statement of Accounts and identified resource implications. This report provides an update on progress to date.
- 2 A detailed project plan to June 2011 is attached at **Appendix D**. The high level implementation timetable is as follows:

Stage 1	Restate 01.04.09 balance sheet to IFRS	By 31 December 2009
Stage 2	Audit sign off restated accounts	By 31 March 2010
Stage 3	Restate 2009/10 UK GAAP accounts to IFRS	By 31 December 2010
Stage 4	Audit sign off restated accounts	By 31 March 2011
Stage 5	Closedown 2010/11 on IFRS basis	By 30 June 2011

- 3 An interim accountant has recently completed a three month contract in order to review requirements and make the necessary preparations. As a result of this the 01.04.09 balance sheet has been restated to IFRS and an audit working file prepared from which to follow on when converting the 2009/10 UKGAAP accounts to an IFRS basis.
- 4 Progress against the project plan has been discussed with the external auditors, specifically regarding leases and employee benefits due. It has been agreed that a standard calculation can be used for employee benefits since the figure is relatively small (1.43% of total salaries), subject to periodic review. There is uncertainty as to whether the restated

accounts will be subject to audit by 31 March 2010 but the audit of the 2009/10 accounts will include a review of IFRS progress.

- 5 A working group has been established comprising representatives from the Bucks authorities to discuss progress and share knowledge. The next meeting is scheduled to take place in March to review progress and compare opening restated balance sheets. Two accountancy staff have recently attended IFRS training days provided by the Audit Commission. The recent Audit Commission report 'Countdown to IFRS' is attached for reference at **Appendix E**.

Background Papers: None
