

Audit Committee

Meeting to be held on 24 January 2011

Electoral Division affected: All

Overview of the implementation of International Financial Reporting Standards for the accounts of the County Council

(Appendices A & B refer)

Contact for further information:

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Executive Summary

The 2010/11 Statement of Accounts for Local Authorities must be completed under International Financial Reporting Standards (IFRS). Authorities must use a transitional date of 1st April 2009, in order to include comparative 2009/10 figures under the new standards within the 2010/11 Statement of Accounts. Preparation for the transition must be made now to ensure that accurate and comparative figures are in place for the changeover.

A Project Team and Project Plan have been established to review the impact of the transition to IFRS from the current reporting standards on our current arrangements and to ensure that the implementation is achieved satisfactorily.

Progress continues to be made, and the project team is on track to implement IFRS in accordance with the statutory deadlines. Close liaison with the District Auditor is being maintained throughout the process.

Audit Committee agreed at the meeting on 25th January 2010 that the Committee would receive regular progress reports on the implementation of IFRS.

Recommendation

That the report be noted.

Background and Advice

Local Authorities currently prepare their annual statement of accounts under United Kingdom Generally Accepted Accounting Practice (UK GAAP). However, in order to allow comparability and consistency with the private sector, it was announced in the 2008 Central Government Report that from 2010/11 Local Authorities are required to produce their annual statement of accounts under International Financial Reporting Standards (IFRS).

Appendix A gives an overview of the key facts relating to the implementation of IFRS, and progress made on those aspects. Appendix B is an updated copy of the project plan that the IFRS Project Group is working to and will be reported back to Audit Committee on a quarterly basis until implementation is complete.

Consultations

Not applicable

Risk Management

This item has the following implications, as indicated:

Financial – Significant existing resources within Finance Teams will need to be utilised to deliver the transition to IFRS. The project plan and regular project team meetings should enable staff to plan the time they need to dedicate to the transition process.

Legal – The production of the statement of accounts under IFRS is a statutory requirement.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Directorate/Tel
N/A	N/A	N/A

Reason for inclusion in Part II, if appropriate

N/A