

IFRS PROJECT PLAN

APPENDIX 1

NUMBER	ACTION POINT	TARGET DATE	RESPONSIBILITY	ACTION TAKEN	ACTUAL DATE	FOLLOW UP REQUIRED?	RESPONSIBILITY
1	Carry out high level impact assessment using information on CIPFA web site (and other resources where available). Pay attention to main areas: Leases, Tangible Assets, Employee Benefits, Presentational Changes to Statement of Accounts, etc. Identify changes to Accounting Policies	As soon as possible; completion of this stage by May 2009 recommended	TWS	Regular meetings of Finance Managers Group. Meeting on 23/01/2009 to include a presentation on IFRS from Mark Surridge from Grant Thornton. Memo to Director of Resources outlining the major impact of IFRS & transitional arrangements	26/01/2009	Ongoing Review	DB/TWS
2	Identify key staff (finance, legal, property, HR, other) Assess whether resources adequate Allocate responsibilities Develop detailed project plan	May-09	TWS/LMH/KMP	David Buckland (Director of Resources) Tracey Southall (Resources) Lisa Hutchinson (Resources) Kathryn Pearsall (Resources) Caroline Newlands (Director of Legal & Corporate Services) Charlotte Beswick (Legal) Claire Taylor (Legal) Victoria Bendall (Property) Paul Tarrant (Property) Greg Evans (IT)	Jan-09		TWS/LMH/KMP
3	Key staff trained on IFRS transition		TWS/LMH	Overview of IFRS training to Accountancy Section IFRS Workshop - Grant Thornton 23 Jan 2009 IFRS Workshop - KPMG 6 Feb 2009 IFRS Seminar - Grant Thornton 24 Feb 2009 IFRS Capital Sub Group Meeting - County 15 Sept 2009 Accounts Workshop 2009/10- Audit Commission IFRS FAN Seminar - 2 Nov 2010 Briefing paper to Director of Resources 9 Nov 2010 on key issues, options for resourcing and updated timetable Training delivered to Accountancy in September 2009 (see point 3). Member training delivered on 28th September 2009. Second training session to Members on 14th June 2010 (to ensure that new Members to Audit Committee are aware of IFRS transition)	15/09/2009	Ongoing	TWS/LMH
4	Training for all relevant staff and members	Ongoing from mid-2009	TWS/LMH			Ongoing	TWS/LMH/KMP
5	Identify information (eg, leases and holiday pay) required to restate 1 April 2009 Balance Sheet and 2009/10 Accounts	Dec-09	TWS/LMH	Legal - identified all leases & provided listing. Analysed between operating & finance leases. Kath has arranged for IT to interrogate the time-recording system to gain the information for the employee absences adjustments	31/03/2010	Review of leases has been carried out & there are currently none to re-classify as finance leases. Audit Commission are reviewing the working papers	LMH
6	CIPFA Guidance Notes to accompany Code for 2010/11 Accounts issued	16/12/10	LMH	Place advance order	24/11/2010	Received 29/12/10	LMH
6	Identify systems and procedural changes (including Chart of Accounts changes required)	Dec-10	TWS/LMH/KMP	Arrange for Andy to create new Agresso trees for reporting requirements. Assess new account codes required. Eg, Short-term Accumulating Compensated Absences Account (STACAA)		Ongoing	TWS/LMH/KMP
7	Identify likely impact on Budgets (if any)	Dec-10	TWS/LMH	Stepped approach to conversion. Also taking advice from external consultant - Grant Thornton		Ongoing	TWS/LMH
8	Restate 1 April 2009 and 31st March 2010 Balance Sheets (including reconciliations between UK GAAP and IFRS)	Dec-10	LMH			Presented to Audit Committee in January 2011. Audit Commission are reviewing the working papers	LMH
9	Restate 2009/10 accounts (including reconciliations between UK GAAP and IFRS)	Apr-11	LMH		17/01/2011		TWS/LMH
10	Implement systems and procedural changes	Jan-11	TWS/LMH			Ongoing	TWS/LMH
11	FAN Closedown of Accounts 2010/11 Workshops	Feb-11	TWS/LMH/KMP		08/02/2011	Further training course scheduled for March 2011	TWS/LMH/KMP
12	Further Member Training	Jan/Feb/Mar 2011	TWS/LMH	Already have provided two training sessions for Members but this will concentrate on explaining the restated Accounts		Ongoing	TWS/LMH
13	Develop skeleton Statement of Accounts under IFRS (including Notes & Policies)	Apr-11	LMH	Set up files in preparation. Balance Sheet restatement initial review to Mark Surridge on 30/04/10.		Ongoing	LMH
14	Testing of systems and procedural changes	Mar-11	TWS/LMH/KMP			Ongoing	TWS/LMH/KMP
15	Produce 2010/11 accounts on IFRS basis	April 2011-June 2011	TWS/LMH/KMP			Ongoing	TWS/LMH/KMP

WYRE FOREST DISTRICT COUNCIL IFRS IMPACT ASSESSMENT

International Accounting Standard	Topic	UK GAAP Equivalent	Implications under IFRS	Key concerns for WFDC	Initial Risk Assessment	Updated risk March 2011	Rationale for assessment
IAS 1	Presentation of financial statements	FRS 3, 18 & 28	Financial statements likely to be between 50% and 100% longer under IFRS.	Presentation and completeness of accounts and disclosures	Red	Red	Skeleton accounts have been made available by CIPFA. However these still require some tailoring and adaptation to fit WFDC purposes and needs
IAS 2	Inventories	SSAP 9	Minor differences between UK GAAP and IFRS.	Ensure completeness of statements	Green	Green	Inventory is not material
IAS 7	Cashflow statements	FRS 1	Cashflow statements now include cash and cash equivalents, and are reported under three instead of nine headings. No longer a need to reconcile movements in cash flows to movements in net debt.		Amber	Amber	No change. However, work to date does not indicate any significant concerns. Not a technically difficult standard. Any further matters would be identified through 2010/11 closedown
IAS 8	Accounting policies, changes in estimates and errors	FRS 3 & 18	IFRS based accounting policies will need to be developed where changes occur. Prior period figures will need to be adjusted for any material error rather than just for fundamental errors if applicable. Changes in accounting policies and correction of errors require increased disclosures. Estimates need to be made for the potential impact of new standards not yet adopted.	Developing suitable accounting policies Creating oversight on estimates and judgements	Red	Amber	Guidance has been provided by CIPFA Draft policies have been prepared and are to be reviewed by Members. Work to be completed as part of the 2010/11 accounts to describe the key estimates and judgements in the 2010/11 accounts.
IAS 10	Events after the balance sheet date	FRS 21	IAS 10 is almost identical to FRS 21.		Green	Green	No historical issues over this standard not considered at risk of misstatement
IAS 11	Construction contracts	SSAP 9	Applies to the construction of assets only - contractors		Green	Green	N/A
IAS 12	Income taxes	FRS 16 & 19	Slight change to accounting for current tax. Increased number of deferred tax assets and liabilities likely.		Green	Green	N/A
IAS 16	Property, plant and equipment	FRS 15	DRC basis of valuation still permitted for specialised properties, all other properties to be at fair value. Negative balances on revaluation reserve no longer allowed. Impairments charged to I&E in year. More frequent revaluations likely. New category of "assets held for sale". Full comparative information required.	Completeness of asset registers and ability to identify components Valuations more frequent	Red	Amber	Component accounting an issue for 2011/12 accounts. Need to confirm categorisation of assets under IFRS - ie subject to audit.
IAS 17 & IFRIC 4	Leases	SSAP 21 & FRS 5	Land and building elements must be treated separately. All current lease arrangements will need to be reviewed. All contracts involving any building or equipment items will also need to be reviewed, as they could potentially now become a lease. Likely to lead to more finance leases, and embedded derivatives may also be found.	Completeness of records and identification of leases and embedded leases	Red	Amber	Work completed to date has identified a number of leases to be reviewed and considered against the lease tests. Confirmation that land is not automatically an operating lease, thus needs to be checked. Contracts have been reviewed, but subject to audit. No derivatives identified to date. External Audit are reviewing the working papers.

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IAS 18	Revenue	SSAP 9 & FRS 5 app G	IAS 18 and FRS 5 application note G are very similar.		Amber	Amber	Few changes in the standards. Draft accounting policies have been prepared.
IAS 19	Employee benefits	FRS 17	Holiday pay is considered to be an employee benefit, and any leave carried over must be accrued for. Retirements benefits similar to FRS 17.		Amber	Amber	Approach to the short-term compensated absences to be validated by external audit
IAS 20	Accounting for government grants and disclosure of government assistance	SSAP 4	Grants relating to fixed assets may be shown as deferred income or deducted from the cost of the asset.		Amber	Amber	Grants and contributions fairly straight-forward, however need to confirm whether there are any restrictions to determine recognition criteria
IAS 21	Effect of changes in foreign exchange rates.	SSAP 20 & FRS 23	Not applicable.		Green	Green	Not applicable to WFDC
IAS 23	Borrowing costs	FRS 15	Directly attributable borrowing costs must be capitalised.	No borrowing in 2010/11	Green	Green	Not applicable to WFDC in 2010/11
IAS 24	Related party disclosures	FRS 8	Additional disclosures on management compensation (over and above those required by the Companies Act 2006).		Amber	Amber	Need to ensure process for capturing potential related parties is complete. To be finalised through the 2010/11 closedown process
IAS 26	Accounting and reporting by retirement benefit plans	None	Not applicable.		Green	Green	Not applicable to WFDC
IAS 27	Consolidated and separate financial statements	FRS 2 & 5	A subsidiary exists where the Council has the power to govern the financial and operating policies of an entity, and in such circumstances that entity should be consolidated into the Council's accounts.		Amber	Amber	Need to ensure accounting for the Joint Committee is appropriate
IAS 28	Investments in associates	FRS 9	An associate exists where the Council has the power to participate in the financial and operating decisions of any entity, regardless of whether that power is exercised. The associate is accounted for using the equity method, disclosing the Council's share of the associate's net profit.		Amber	Amber	Need to ensure accounting for the Joint Committee is appropriate
IAS 29	Financial reporting in hyperinflationary economies	FRS24 & UITF 9	Figures (including comparatives) are restated to the measuring unit at the balance sheet date.	Not applicable	Green	Green	Not applicable to WFDC
IAS 31	Interests in joint ventures	FRS 9	Any jointly controlled entity, operations or assets are accounted using either equity accounting or proportionate consolidation.		Green	Amber	Need to ensure accounting for the Joint Committee is appropriate

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IAS 32	Financial instruments - presentation	FRS 25 & 29	IFRS very similar to UK GAAP.		Amber	Green	Such little difference from UK GAAP that if presentation was acceptable in 2010 should still be suitable under IFRS
IAS 33	Earnings per share	FRS 22	Not applicable.	Not applicable	Green	Green	Not applicable to WFDC
IAS 34	Interim financial reporting	ASB's statement		Not applicable	Green	Green	Not applicable to WFDC
IAS 36	Impairment of assets	FRS 11	Any impairment is now to be recognised in the revaluation reserve to the extent that there is a balance for that asset, with any excess impairment charged to the I&E account. All impairments of new assets to go straight to the I&E account. Also changes to impairment rules for intangible assets.		Amber	Amber	Accounting change recognised. Process will be included in the 2010/11 closedown of the accounts.
IAS 37	Provisions, contingent liabilities and contingent assets	FRS 12	IAS 37 is very similar to FRS 12.		Green	Green	Green
IAS 38	Intangible assets	SSAP 13 & FRS 10	Under acquisition accounting more intangibles will be recognised. Development costs must now be capitalised, and research costs written off as incurred. Software integral to the running of an item of equipment (eg an operating system) must be classified as plant and equipment rather than an intangible asset. Impairments only now occur for a trigger event.		Amber	Green	IT intangibles very similar to UK GAAP. Any re-categorisation is therefore unlikely to be material
IAS 39	Financial instruments - recognition and measurement	FRS 26	IFRS very similar to UK GAAP.		Green	Green	Such little difference from UK GAAP that if recognition was acceptable in 2010 should still be suitable under IFRS
IAS 40	Investment property	SSAP 19	Likely to have to be measured at fair value, with any changes in value taken directly to the I&E account.		Amber	Green	Assets re-categorised although subject to audit.
IAS 41	Agriculture	None	Not applicable.		Green	Green	Green
IFRS 1	First time adoption of IFRS	None	Project planning and assessment of first time adoption. Must show items as if always accounted under IFRS. Must restate previous years accounts on an IFRS basis. Must complete various reconciliations between IFRS and UK GAAP based accounts on the transition to IFRS.		Red	Red	Until completion of the 2010/11 draft accounts this is considered a risk because of the importance of preparing the accounts correctly and on a timely basis.

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IFRS 2	Share based payment	FRS 20 & UITF 17 & 38	Not applicable.		Green	Green	Not applicable to WFDC
IFRS 3	Business combinations	FRS 6, 7 & 11	No longer permits merger accounting. However, as group reconstructions are excluded from the scope of IFRS 3, it is very likely that inter Council business combinations will continue to use merger accounting.		Green	Green	Not applicable to WFDC
IFRS 4	Insurance contracts	FRS 27	Applies to contracts issued by an insurer.		Green	Green	Not applicable to WFDC
IFRS 5	Non current assets held for sale and discontinued operations	FRS 3	Assets held for sale now need to be grouped and disclosed separately. Tighter restrictions on the criteria for recognising a discontinued operation.		Amber	Amber	Tighter restrictions for held for sale. Need to confirm categorisation of assets under IFRS - ie subject to audit.
IFRS 6	Exploration for and evaluation of mineral resources	None	Not applicable.		Green	Green	Not applicable to WFDC
IFRS 7	Financial instruments - disclosures	FRS 13 & 29	IFRS very similar to UK GAAP.		Green	Green	Such little difference from UK GAAP that if disclosure was acceptable in 2010 should still be suitable under IFRS
IFRS 8	Segment reporting	SSAP 25	Disclosure in the accounts of management reporting information as provided to the Chief Operating Decision Maker. Criteria provided for distinguishing a segment, can either be income, profit, loss or asset based. Segment disclosure must contain details of the profit or loss and assets employed by the segment as a minimum. This will make segmental performance transparent to all readers of the accounts	Ensuring clarity on the segments to be reported	Red	Red	Segments have been identified, but the risk remains red because of complexities required to reconcile the segments identified to the figures reported in the financial statements
IFRS 9	Financial instruments	FRS 13 & 29	IFRS very similar to UK GAAP.		Green	Green	No changes in the standards. Therefore, if acceptable in 2010 should still be suitable under IFRS
IFRIC 12	PFI	FRS 5 app F, Treasury guidance	IFRIC 12 looks at who controls the asset, and is almost certain to bring the vast majority of the current off balance sheet schemes onto the balance sheet. Must then be accounted for as if they have always been on balance sheet.	Implemented in 2009/10 Non applicable for WFDC	Amber	Amber	Remains amber because of the need to consider whether any of the arrangements reviewed through IFRIC 4 approach has identified any service concessions.

Key

- = Little or no workload for or impact expected
- = Some workload for or impact expected
- = Significant workload for or impact expected