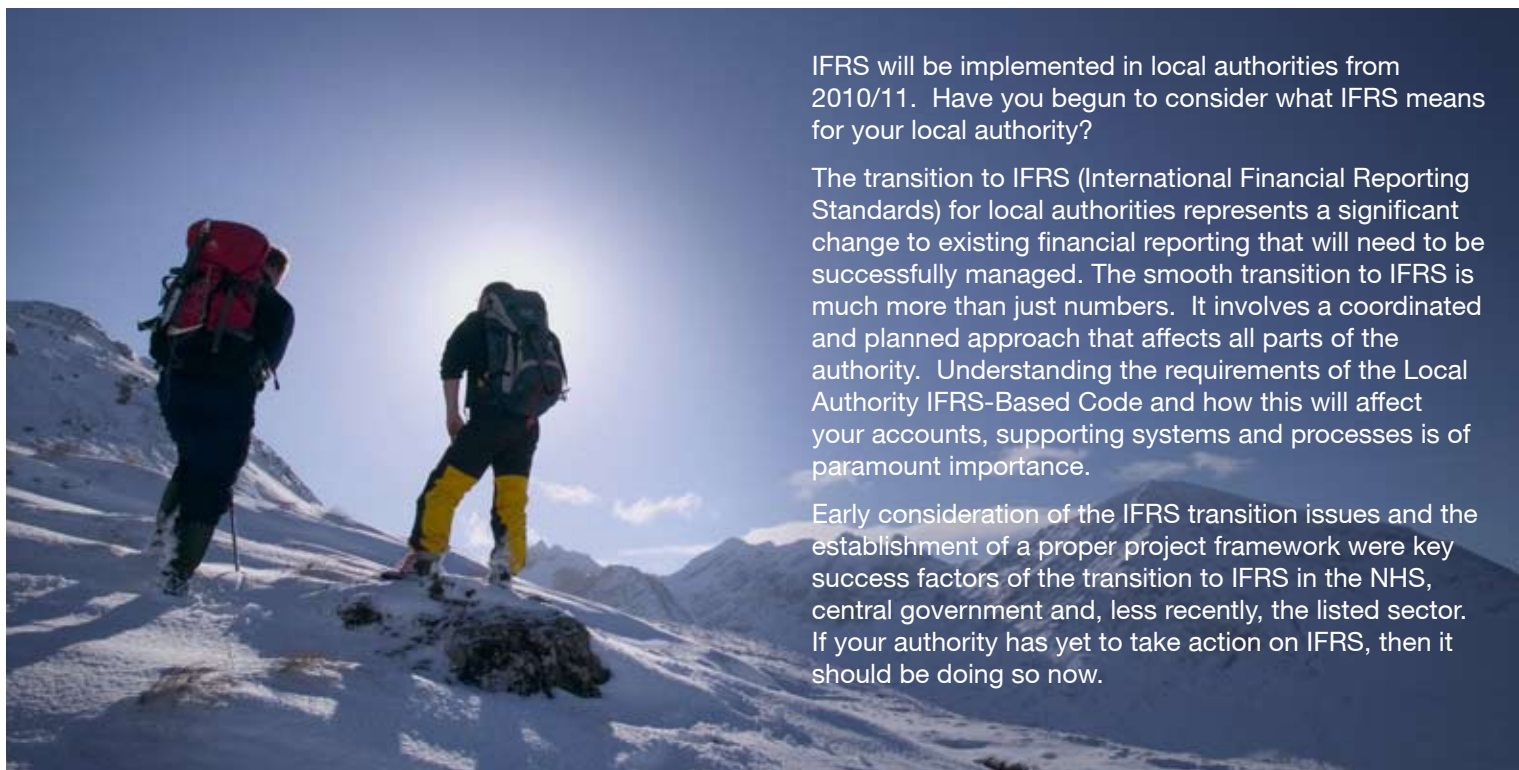


Rising to the IFRS challenge



IFRS will be implemented in local authorities from 2010/11. Have you begun to consider what IFRS means for your local authority?

The transition to IFRS (International Financial Reporting Standards) for local authorities represents a significant change to existing financial reporting that will need to be successfully managed. The smooth transition to IFRS is much more than just numbers. It involves a coordinated and planned approach that affects all parts of the authority. Understanding the requirements of the Local Authority IFRS-Based Code and how this will affect your accounts, supporting systems and processes is of paramount importance.

Early consideration of the IFRS transition issues and the establishment of a proper project framework were key success factors of the transition to IFRS in the NHS, central government and, less recently, the listed sector. If your authority has yet to take action on IFRS, then it should be doing so now.

Our response

CIPFA and PricewaterhouseCoopers LLP (PwC) have come together to provide a unique comprehensive service to assist local authorities in their transition to IFRS. This service provides support through all aspects of the IFRS transition, from the initial Impact Assessment to understand how IFRS affects your authority, through to your first full IFRS accounts in 2010/11. This assists the authority in a variety of ways – whether you are just beginning to consider IFRS implementation, or you have already made some progress down that road, including:

- Impact Analysis¹ to ensure that your authority is focusing on the IFRS areas of greatest significance;
- Technical support throughout the transition process up to May 2011;
- Access to IFRS training from CIPFA;
- Assistance with the opening balance sheet, accounting policies, restatement of comparatives and first IFRS accounts for 2010/11.

The benefits

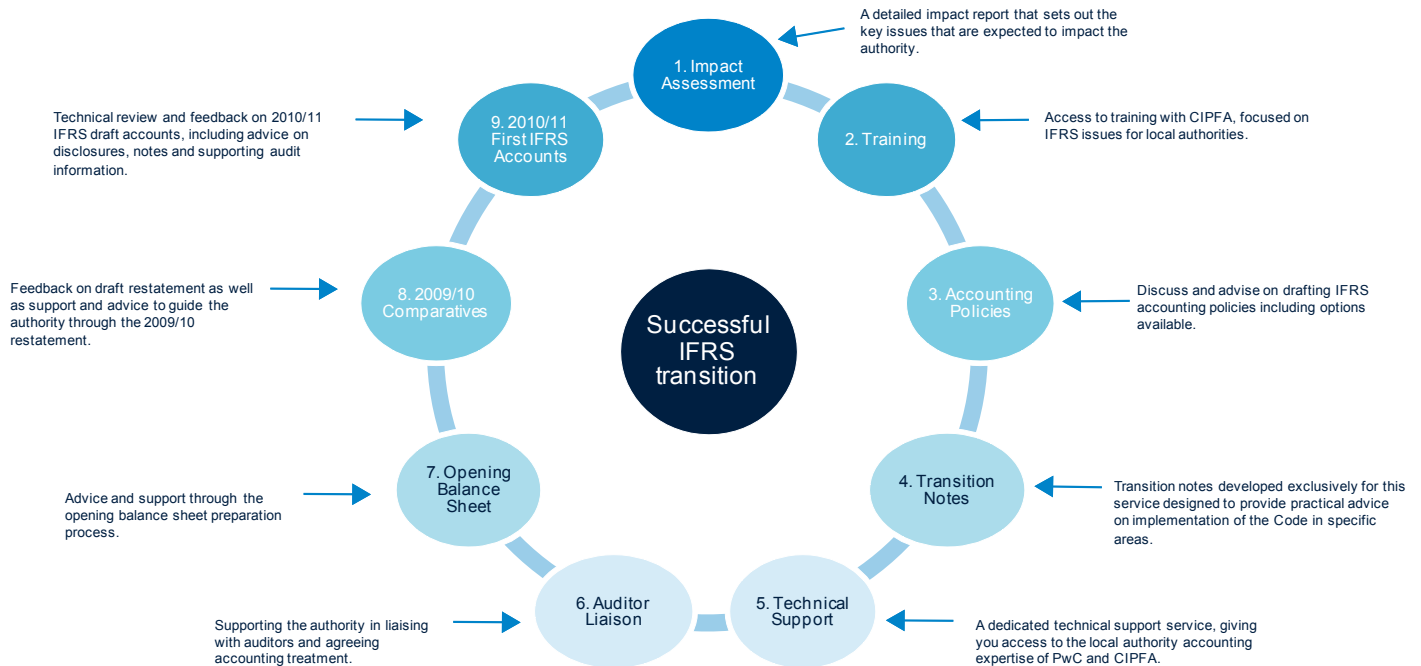
This service is based on a proven arrangement already operating between CIPFA and PwC in Scotland, where authorities there have already realised benefits in:

- Peace of mind - a controlled and project managed process with no surprises;
- A local team you can fully trust and which is at the centre of IFRS implementation and developments;
- Fast start mobilisation to begin the project now;
- Knowledge transfer to your staff;
- Excellent working relationships with local authority auditors to resolve and agree technical interpretations; and
- A consistent approach across all local authorities.

¹ Where authorities have already completed an Impact Analysis we will undertake a gap assessment of this.

The service in practice

This transition service is unique to local authorities and will provide project support and advice through the whole IFRS transition process. This ongoing support is broken down into nine key elements below:



Our experience

IFRS and local authorities

- PwC and CIPFA's IFRS transition service already successfully used by 29 local authorities in Scotland.
- PwC and CIPFA have deep knowledge of local authority accounting, and have been involved in the development of the local authority IFRS Code.
- Lynn Hine, one of PwC's Partners, is the current Chair of CIPFA LAASAC.

IFRS and the NHS and government

- Transition advice and support to a significant number of NHS bodies as well as to central government bodies.
- PwC has assisted in the development of technical guidance for the NHS through input to the Manuals for Account and the Monitor Financial Reporting manual.

- PwC has supported HM Treasury in the development of the I-FReM.
- CIPFA and PwC have delivered public sector IFRS training across the UK.

IFRS in the private sector

- PwC has delivered IFRS transition services to over 1,000 organisations worldwide, using a robust and proven methodology that embeds the necessary changes in processes, systems and people.

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