

Countdown to IFRS

Checklist for members

From 2010/11 local government will be required to prepare accounts in accordance with international accounting standards (IFRS). A failure to achieve successful transition to IFRS would cause significant reputational damage not only to individual authorities but to the local government sector as a whole. Poor preparation will heighten the risk that accounts will not meet requirements and so attract a qualified auditor's opinion or be published late. At a practical level, there is a risk that avoidable additional costs will be incurred if the implementation timetable is not well managed or is allowed to slip. The transition process is a real test of self regulation by local government.

The audit committee (or its equivalent) needs to be sufficiently aware of the requirements of IFRS to ensure the transition project is on track. In order to help members discuss their IFRS transition plan with relevant officers we have set out a number of suggested questions overleaf.

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- **Have we assessed what impact IFRS will have on our authority?**
- **What role should the audit committee play in supporting the transition to IFRS?**
- **How much is it going to cost? What is the impact on our budgets?**
- **Do we have a project plan? How are we doing against this plan? Are we where we need to be?**
- **What are the main problem areas?**
- **Do we have the skills and expertise to resolve them? Are we taking any external advice?**
- **What are the risks to delivery and are these included in the risk register? What are we doing to mitigate these risks?**
- **What are the consequences for us if we don't achieve the transition to IFRS according to the plan?**
- **Have we engaged with the external auditors?**
- **Are we producing mock/shadow accounts in IFRS format? What is the audit committee's role in reviewing these?**

Further information on IFRS please refer to our briefing paper [Countdown to IFRS](#) and other briefing papers are available at www.audit-commission.gov.uk/IFRS