

**IMPACT ASSESSMENT RESULTING FROM THE IMPLEMENTATION OF
INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

LEAD OFFICER: Julie Crellin, Head of Finance and Management Information Systems

REPORT AUTHOR: Patrick Kelly, IFRS Implementation Accountant

Summary: To present the initial impact assessment and implementation action plan for the Council's adoption of International Financial Reporting Standards (IFRS).

Recommendation: That the Audit Committee approve the initial implementation action plan and take note of the initial impact assessment.

1.0 INTRODUCTION

- 1.1 The Government's Budget statements of March 2007 and 2008 announced that Government Departments and all public bodies would adopt International Accounting Standards (IFRS) to replace the existing UK Generally Accepted Accounting Practice (UKGAAP) as the basis for completing and reporting accounts. IFRS have been developed over a number of years and are increasingly being adopted around the world in an attempt to allow a unified method of accounting and reporting.
- 1.2 The need for IFRS was demonstrated by the failure of private sector organisations such as Enron and World Com. These companies displayed inconsistent adoption of existing accounting standards resulting in large liabilities being omitted from their accounting statements. The subsequent investigations pointed to the need for increased transparency and consistency in international accounting standards.

2.0 KEY FINDINGS

- 2.1 The Adoption of IFRS impacts on the Council in a number of ways both, financially and operationally. The initial impact assessment and implementation action plan focuses on each affected area on a priority basis over the implementation period. This is attached as Appendix A. The implementation plan which follows CIPFA guidance is attached in Appendix B. The completed impact assessment document will be submitted to the next Audit Committee meeting but its key indicative findings at this stage are identified in this report.
- 2.2 The Audit Committee will receive a summary presentation at its meeting of 4th November 2009. This is a complex technical accounting matter, but as the Committee is charged with agreeing the draft of the Annual Accounts of the Authority, it is important that the fundamentals of IFRS are appreciated by Members.

3.0 CONCLUSION

3.1 The following conclusions can be reached at this stage of the process:-

- The IFRS implementation actions and related impacts identified in this report are designed to allow the Council to meet the first IFRS implementation target which is to restate by late December 2009, the Council's UKGAAP Balance Sheet as at 31st March 2009 on an IFRS basis, and identify with justification and reconciliations, where changes have occurred.
- The completed IFRS impact assessment and action plan will be updated regularly and reported to the Audit Committee as the implementation process continues and revised guidance is received from CIPFA. The second phase of IFRS implementation will require a revision to the current action plan, which defines the actions to be taken in restating the March 2009/10 UKGAAP Balance Sheet on an IFRS basis. The revised plan will also outline the preparations necessary for completing the 2010/11 accounts on an IFRS basis.

4. RECOMMENDATION

- 4.1 It is recommended that the Audit Committee approve the initial action plan which is attached in Appendix B.
- 4.2 That the IFRS implementation project is included as a standing item on the Audit Committee agendas until March 2011 with progress reports provided at each meeting.
- 4.3 That the Committee note the initial impact assessment in this report and that these assumptions are subject to change as CIPFA issues revised guidance.

List of Appendices:

Appendix A – Initial IFRS Impact Assessment

Appendix B – Initial IFRS Action Plan

List of Background Documents: None

Officers Consulted: Human Resources (Len Glead), Legal (Clinton Boyce), Property (Chris Lloyd)

Patrick Kelly, IFRS implementation Accountant. - October 2009

IMPACT ASSESSMENT RESULTING FROM THE IMPLEMENTATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

1.0 EXECUTIVE SUMMARY

- 1.1 This report highlights the initial impact assessment of, and the actions required to, implement IFRS in Copeland Borough Council.
- 1.2 The Government's Budget statements of March 2007 and 2008 announced that Government Departments and all public bodies would adopt International Accounting Standards (IFRS) to replace the existing UK Generally Accepted Accounting Practice (UKGAAP) as the basis for completing and reporting their accounts. IFRS have been developed over a number of years and are increasingly being adopted around the world in an attempt to allow a unified method of accounting and reporting.
- 1.3 The need for IFRS was demonstrated by the failure of private sector organisations such as Enron and World Com. These companies displayed inconsistent adoption of existing accounting standards resulting in large liabilities being omitted from their accounting statements. The subsequent investigations pointed to the need for increased transparency and consistency in international accounting standards.
- 1.4 IFRS has already been adopted by Central Government departments, and the NHS. As part of the rollout process, Local Authorities are required to complete their full 2010/11 statutory accounts using IFRS. The Council's IFRS statutory accounts for 2010/11 will need prior year need Balance Sheet comparison figures. These prior years figures will be provided by the IFRS restatement of both the 2008/9 and 2009/10 Balance Sheets.
- 1.5 The initial IFRS impact assessment on the Council's statutory accounts for 2008/09 can be seen in summary form in paragraph 4.8 below. The impact includes important changes in accounting practices for the Council's PFI scheme, leased assets, valuation of fixed assets and the accruing of untaken holiday and flexi leave at the end of the accounting year. The impact assessment continues to be developed and the full report will be available to the next Audit Committee meeting on the 25th November 2009.
- 1.6 The first target in implementing IFRS is to restate the Council's UKGAAP Balance Sheet as at 31st March 2009 on an IFRS basis. Any financial impact arising as a result of the restatement may need to be addressed as part of the 2010/11 budget setting process. Guidance is still being confirmed from CIPFA at this stage, on the mitigations available for any financial impacts and this guidance is expected shortly.
- 1.7 It is proposed that IFRS be included as a standing item on the Audit Committee agenda until after the audit of the 2010/11 Statutory Accounts.

2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS

- 2.1 This report recognises that effective management of financial resources is a prerequisite for making informed decisions when planning and delivering Council services.

3.0 RECOMMENDATION

- 3.1 It is recommended that the Audit Committee approve the initial action plan which is attached in Appendix A.
- 3.2 That the IFRS implementation project is included as a standard item on the Audit Committee agendas until March 2011 with progress reports provided for each meeting.
- 3.3 That the Committee note the initial IFRS impact assessments outlined in this report and also note that these assumptions are subject to change as CIPFA amends its IFRS guidance.

4.0 BACKGROUND & INITIAL IMPACT ASSESSMENT

- 4.1 IFRS implementation imposes a number of impacts some of which are set out in the initial impact assessment (Paragraph 4.10). Successful IFRS implementation requires the support of all service departments and their individual actions are / will be identified in the current and future revisions of the IFRS implementation action plan.
- 4.2 The IFRS training of, and communication to, relevant staff will be outlined by service department, staff and members in future revisions of the IFRS implementation action plan.
- 4.3 IFRS training and information documents will be developed to ensure that information on IFRS is provided and updated on a regular basis, and targeted as appropriate, to elected members, senior management and other staff, as well as finance staff and external auditors, and members of the public.
- 4.4 Audit Commission progress and approach approval reviews will be sought at various IFRS implementation stages to ensure that key accounting and system changes are agreed in advance wherever possible.
- 4.5 Successful IFRS implementation will contribute to a positive CAA (Comprehensive Area Assessment) whilst incorrect implementation could prove detrimental to the Council's CAA rating for 2009/10 and possibly 2010/11.

- 4.6 The 2010/11 statutory accounts will be completed in full on an IFRS basis. The 2010/11 Balance Sheet requires prior year comparative figures from the IFRS restated 2008/09 and 2009/10 Balance Sheets. The full impact assessment presented to the next Audit Committee meeting will allow the IFRS restated Balance Sheet for 2008/09 to be approved by the Audit Committee prior to the December 2009 re-statement submission deadline.
- 4.7 CIPFA is in the process of finalising its IFRS based Code of Practice on Local Authority Accounting and this guidance should determine whether or not IFRS implementation will impact on Council Tax. CIPFA will base the final version of its IFRS Code of Practice in part, on the outcome of current discussions with the Department for Communities and Local Government (DCLG). The shortly to be completed CIPFA IFRS Code of Practice, should allow a full impact assessment to be presented to the next Audit Committee meeting. The Code of Practice will seek to ensure that any IFRS implementation impact can be minimised, if not avoided, and that any necessary changes will be in place in time for authorities to set their 2010-11 budgets.
- 4.8 **Initial Impact Assessment**
- 4.8.1 **Private Finance Initiative (PFI) and Public Private Partnerships (PPP):**

IFRS starts one year earlier for PFI schemes, for which the transition date is 1 April 2008, and restated accounts are required for 2008-09 for PFI schemes in operation where a unitary charge is being paid. The key changes affecting PFI schemes are listed below:

- IFRS requires the Council to review its PFI scheme for the Copeland Centre to assess its compliance with the new IFRS PFI guidance. The new guidance requires the Council to determine whether the authority now has the ability to control the use of the PFI asset. This new test may lead to the inclusion of the Copeland Centre on the Council's Balance Sheet as the Council has a high level of control over the use of the asset. The previous test under UKGAAP was to determine whether the Council was responsible for the risks of the Copeland Centre. Under UKGAAP the PFI contractor bore the risks, the Premises could be left off the Council's Balance Sheet, and was not classed as capital expenditure, and these had been the main advantages of using PFI to fund schemes of a capital nature.
- IFRS may require the payments to contractors for the Copeland Centre (The Unitary Charge) to be split over principal, interest and service charge payments and effectively treated the same as other Council capital expenditure. At present, the unitary charge is not split into separate components. The retrospective nature of IFRS requires that this process would need to be repeated for all accounting years since the inception of the Copeland Centre

coming on stream. As a result of this, there may be financial impacts relating to previous financial years prior to 2008/09.

- The principal repayments, together with any government grants received towards principal repayments, will have to be taken into account in the Council's MRP (Minimum Revenue Provision) calculations. However, it is expected that this change will not have an overall impact on net council budgets or council tax requirement, subject to confirmation either in CIPFAs final Code of Practice, or by legislation. A full financial impact is not therefore available at this stage, but should be placed before the next committee meeting.

4.8.2 **Fixed Assets:** The key changes are listed below:

- Under IFRS all fixed assets will need to be re-valued annually rather than the current requirement of once every five years. Residual value, useful remaining life, and impairment will have to be estimated annually and reflected in the Council's asset register and final accounts.
- Detailed advice is awaited from CIPFA on how this standard should be implemented, since full impairment reviews, and remaining asset lives reviews, for every asset each year, would significantly increase valuation efforts. This may impact on the cost of asset valuation services provided by Capita. The net effect on Council finances of extra impairment charges and reviewing asset lives are expected to be nil, since the detailed accounting arrangements avoid any impact on Council tax.
- The introduction of component accounting, whereby parts of a building with different asset lives, such as boilers and lifts, must be accounted for as separate assets. However, following CIPFA pressure on DCLG, this requirement will only apply as assets or components are acquired, replaced or re-valued after 1 April 2010.

4.8.3 **Leases.** The key changes are listed below:

- The classification of finance and operating leases has changed under IFRS so that where a lease effectively gives the Council most of the 'risks and rewards' of an asset, over the majority of the life of that asset, the capital value of the asset and associated debt for some material assets may have to be calculated and included on the balance sheet. The previous arrangements were that generally operating leases did not have to be included on the balance sheet if the residual capital value of the lease was at least 10% of the original cost.

- At the moment the Council is reviewing all leases and a full analysis will be completed with recommendations on treatment for the next Audit Committee meeting.
- Under IFRIC 4, If the Council pays an external contractor for services which involve use of a contractor's assets (for example, computer services), the value of the contractor's assets and associated debt may have to be included on the authority's balance sheet if certain conditions are present.
- Leases of land and buildings (for example, an office block or depot) where those leases can be classed as Finance, will have to be separated into land and buildings according to their estimated fair value, and retrospective adjustments made to the start of each lease.
- Directorates will be required to provide information on any existing leases, and on any annually contracted items such as photocopiers, so that the correct IFRS treatment can be considered. The collection of this information is well under way and the analysis of recommended accounting treatment should be available to the next Audit Committee meeting.

4.8.4 Employee Benefits and Untaken Leave. The key changes are:

- The Council allows staff some flexibility to carry forward leave and flexitime which they have not been able to take for a variety of reasons, while some staff may be owed bonus or other lump sum payments. At present, most authorities, including Copeland, do not account for this in their statutory accounts as it has not been a specific requirement. IFRS require these sums to be calculated and included as a creditor in the accounts, since the amounts are technically owed to the employees at the end of the financial year, should they choose to leave an authority's employment on that date.
- An initial analysis of the 2008/09 year end position has indicated that this sum is unlikely to be material for Copeland, however the figure is still being finalised from information provided by Human Resources.
- The IFRS untaken leave requirement will have no financial impact on the 2008-09 statutory accounts since the entries are purely notional and are required as comparison figures for the IFRS restated 2009-10 accounts. However, in the first year in which the accounting entries are made for untaken leave, there will be a non-material increase in employee costs in each directorate reflecting the estimated untaken leave, and a consequent increase in creditors. The effect would be a one off increase in revenue expenditure, (i.e. additional cost) largely

funded by a one off reduction in the Council's General Fund balance. However, it is important to note that, as stated in paragraph 4, CIPFA is in discussions with DCLG to ensure any impacts of IFRS can be minimised, if not avoided totally. If this does not occur, an additional cost will need to be borne by the Council in the first year of IFRS implementation.

4.8.5 Group Accounts:

- The change required under IFRS is that for a company to be included within group accounts, the required test is that the council only needs to be able to demonstrate the ability to exercise control over the company, rather than actually exercising control, which is the current test. A review is being undertaken to assess whether group accounts need to be expanded to include any companies which fall under the scope of the new test.

4.8.6 Final Accounts:

- There will be substantial changes under IFRS to the main accounting statements and to a large number of the notes to the accounts. The overall effect is still being clarified and is dependent on the issue of further guidance from CIPFA, and further updates will be provided in due course.

5.0 LEGAL & FINANCIAL IMPLICATIONS

- 5.1 The Council is obliged to manage and maintain an overview of the financial position of the authority taking into account advice of the Council's statutory finance officer. The Council should also take into account relevant statutory and non-statutory rules and guidance.
- 5.2 The current restructuring of the Accounting team includes a reappraisal of roles within the Accountant and Senior Accounting Officer roles to reflect the additional workload pressures IFRS will bring. However until the IFRS Code of Practice is finalised, absolute quantification of this pressure is not possible. The Audit Committee may be interested to note that the Audit Commission has indicated in an initial consultation letter that fees in relation to the Auditing of Accounts for 2010/11 are likely to increase by 6%. This may be partially offset by grant for 2010/11 only.

6.0 OPTIONS

- 6.1 Copeland Borough Council must comply with the accounting requirements of IFRS and is asked to agree the recommendations set out in section 4 of the covering report to the Audit Committee.

Patrick Kelly, IFRS implementation Accountant. - October 2009

COPELAND BC IFRS IMPLEMENTATION PLAN

Programme area :	FINANCE - IFRS	Amber	In Progress Actions	Person key:	
Work stream :	Action Plan			Julie Crellin, (Finance) (J.C.)	Clinton Boyce, (Legal) (C.B), x 8516
Savings target :	Neutral	Green	Completed Actions	Alison Clark, (Finance) (A.C.)	Joanne Makin (Procurement) (J.M), x 8539
Accountable Director :	Julie Crellin			Patrick Kelly, (Finance) (P.K)	Colette Shackley (Human R.) (C.S), x 8506
Programme Lead :	Alison Clark	Red	Overrun Actions	Chris Lloyd, (Contracts & Procurement) (C.L),	Carol Edgar, (Finance) (C.E.) x 8462
Work stream manager :	Patrick Kelly			Barbara Green (CAPITA) (B.G)	Matt Freestone, (Finance) (M.F)
CPA Objectives:	Evidence to demonstrate implementation strategy is achieving successful implementation, evidenced.			Ann Treble, (Finance) (A.T.)	Anne Fearon, (Finance) (A.F)
Project Stakeholders :	Finance, Legal, HR, Procurement, Internal Audit Committee, Audit Commission			Len Gleed, (Human R.) (L.G.)	

Reference	UKGAAP Standard	IFRS Standard	Phase	Risk Rating	Impact Priority	Stakeholders	Engagement Action	Other Action	Start date	End date	Action owner	RAG Status
PFI 1	IPSAS 17, FRS 15	IAS 16	1	High	High	Finance	Collate all relevant contract information on the Copeland Centre.	Review the financial impact of accounting for the Copeland Centre on to the Council's Balance Sheet.	Early - mid October 09	Nov-09	PK	Amber
PFI 2	IPSAS 17, FRS 15	IAS 16	1	High	High	Finance	Asses whether the Copeland Centre contract conditions confirm the IFRS PFI accounting requirement.	Create an accounts model of the accounting entries required and agree the arrangements with the Audit Commission.	Early - mid October 09	Nov-09	PK	Amber
PFI 3	IPSAS 17, FRS 15	IAS 16	2	High	High	Finance	Finalise the impact of any accounting changes regarding the Copeland Centre on the budget setting process for 2010/11.	Assess potential financial mitigation actions, internally and through CIPFA revised accounting guidance.	Early - mid October 09	End Mar 10	PK / AC	Amber
Leases 1	IPSAS 13, SSAP 21, FRS 5	IAS 17	1	High	High	Legal / Finance	Assess all live formal lease / other contracts and complete an analysis schedule to assess each lease against IFRS requirements.	Review contracts and interview service managers to assess for non formal lease arrangements, i.e. where the Council has use of a third parties asset and no formal agreement exists.	Sep-09	Nov-09	PK / CB	Amber
Leases 2	IPSAS 13, SSAP 21, FRS 5	IAS 17	1	High	High	Legal / Finance	Create IFRS lease guidance for service managers to use when considering new lease arrangements.	Restate the accounts for IFRS lease accounting amendments and confirm this treatment with the Audit Commission	Nov-09	Dec-09	PK / CB	Amber

COPELAND BC IFRS IMPLEMENTATION PLAN

Programme area : FINANCE - IFRS Amber In Progress Actions Person key:
Work stream : Action Plan
Savings target : Neutral Green Completed Actions
Accountable Director : Julie Crellin
Programme Lead : Alison Clark Red Overrun Actions
Work stream manager : Patrick Kelly
CPA Objectives: Evidence to demonstrate implementation strategy is achieving successful implementation, evidenced.

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Clinton Boyce, (Legal) (C.B), x 8516
Joanne Makin (Procurement) (J.M), x 8539
Colette Shackley (Human R.) (C.S), x 8506
Carol Edgar, (Finance) (C.E.) x 8462
Matt Freestone, (Finance) (M.F)
Ann Treble, (Finance) (A.T.)
Anne Fearon, (Finance) (A.F)
Len Glead, (Human R.) (L.G.)

Project Stakeholders : Finance, Legal, HR, Procurement, Internal Audit Committee, Audit Commission

Reference	UKGAAP Standard	IFRS Standard	Phase	Risk Rating	Impact Priority	Stakeholders	Engagement Action	Other Action	Start date	End date	Action owner	RAG Status
Investment properties 1	IPSAS 16, SSAP 19	IAS 40	1	High	High	Legal / Finance	Review the Asset Register and confirm with service managers, the correct IFRS status and classification of Investment Property assets.	Confirm any revised treatment of Investment Property with the Audit Commission and restate the Council's Balance Sheet where necessary.	Nov-09	Dec-09	PK / CB / AC	Amber
Intangible assets 1	SSAP 13 / FRS 10	IAS 38	1	High	High	Finance	Review the Asset Register for the IFRS revised definition of Intangible Assets.	Reclassify the Intangible Assets affected by the revised IFRS definition and confirm the amendments with the Audit Commission.	Sep-09	Nov-09	PK / AT	Amber
Intangible assets 2	SSAP 13 / FRS 10	IAS 38	1	High	High	Finance	Confirm the correct treatment of Intangible Assets after reviewing the Council's Contracts.	Restate the Council's Balance Sheet for amendments to Intangible Assets.	Oct-09	Nov-09	PK / AT	Amber
Employee benefits 1	None applicable	IAS 19	1	High	High	Human Resources, Finance	Compile a full list of Council employees and gather available information on carried over leave as at the 31st March 2009.	Complete an audit schedule to assess the financial impact of leave which represents all staff, either on a full assessment of actual leave or on a sampling basis.	Sep-09	Early - Mid November 09	PK / MF	Amber
Employee benefits 2	None applicable	IAS 19	1	High	High	Human Resources, Finance	Confirm the basis of the accrued holiday and flexi time leave carry over with the Audit Commission.	Assess the financial impact of the Holiday and Flexitime leave carried over on the budget setting process for 20010/11.	Sep-09	Early - Mid November 09	PK / MF	Amber
Employee benefits 3	None applicable	IAS 19	1	High	High	Human Resources, Finance	Design and implement a process for collecting holiday carry over information at each accounting year end	Ensure service managers are in a position to gather the necessary information.	Nov-09	Mar-10	PK / MF	Amber

COPELAND BC IFRS IMPLEMENTATION PLAN

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 Work stream : Action Plan
 Savings target : Neutral Green Completed Actions
 Accountable Director : Julie Crellin
 Programme Lead : Alison Clark Red Overrun Actions
 Work stream manager : Patrick Kelly
 CPA Objectives: Evidence to demonstrate implementation strategy is achieving successful implementation, evidenced.

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Group accounts 1	UITF 44	IFRIC 11	1	High	High	Finance / Legal	Review the Council's statutory accounts and assess any relevant documents which justify amending the treatment of the accounts for group accounting purposes.	Confirm any amendments to the Council's Statutory accounts for group accounts purposes with the Audit Commission.	Oct-09	Mar-10	PK / CE	Amber
Format of accounts 1	IPSAS 1, FRS 3	IAS 1	1	Medium	Medium	Finance	Restate the 2008/09 statutory accounts Balance Sheet to the CIPFA agreed IFRS Balance Sheet format together with written justification and monetary reconciliation for the treatment of each Balance Sheet line.	Confirm any amendments to the Council's statutory accounts for IFRS format changes with the Audit Commission.	Sep-09	Dec-09	PK / AC	Amber
Government grants 1	SSAP 4	IAS 20	1	Medium	Medium	Finance	Review and amend current accounting for Government Grants where necessary	Confirm any amendments to the Council's statutory accounts for IFRS Government Grant Accounting with the Audit Commission.	Sep-09	Dec-09	PK / AT	Amber

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Reference	UKGAAP Standard	IFRS Standard	Phase	Risk Rating	Impact Priority	Stakeholders	Engagement Action	Other Action	Start date	End date	Action owner	RAG Status
Income recognition 1	IPSAS 13, SSAP 21, FRS 5	IAS 17	1	Medium	Medium	Finance	Assess finance lease income under IFRS as there is a potential for lower income recognition in the early years of the lease, compared to the treatment under UKGAAP.	Calculate any income differences and review these with the Audit Commission. Restate the Balance Sheet for amendments and assess any impact on the Budget setting process for 20010/11.	Sep-09	Nov-09	PK / AC	Amber
Accounts disclosures 1	Various	Various	1	Medium	Medium	Finance	Review the Council's 2008/09 statutory accounts for existing disclosures and assess the IFRS impact for revised disclosure requirements	Produce the revised accounting disclosures, and confirm the treatment with the Audit Commission.	Sep-09	Dec-09	PK / AC	Amber
Impairments of Assets 1	IPSAS 21 & 26	IAS 36	1	Medium	Medium	Finance / Capita	Review the Council's asset register for impairment of assets in the 2008/09 accounting year.	Amend accounting entries as at 31 March 09 if necessary to ensure asset impairments in excess of that assets revaluation reserve are reflected in the Income Statement	Oct-09	Nov-09	PK / AC / AT	Amber
Impairments of Assets 2	IPSAS 21 & 26	IAS 36	1	Medium	Medium	Finance / Capita	Assess the Council's impairment policy and ensure it complies with IFRS requirements.	Amend the Council's IFRS impairment policy where necessary and confirm the treatment with the Audit Commission.	Oct-09	Nov-09	PK / AC / AT	Amber

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Project Stakeholders : Finance, Legal, HR, Procurement, Internal Audit Committee, Audit Commission

Reference	UKGAAP Standard	IFRS Standard	Phase	Risk Rating	Impact Priority	Stakeholders	Engagement Action	Other Action	Start date	End date	Action owner	RAG Status
Impairments of Assets 3	IPSAS 21 & 26	IAS 36	2	Medium	Medium	Finance / Capita	Assess the Council's asset register for each asset in preparation for the IFRS requirement to split each relevant asset into its major component parts.	Ensure that new assets will have the correct level of detail to meet the componentisation requirement. Also ensure that as major component parts of existing assets are replaced, that these are accounted for correctly and that the existing value of the mother asset is reduced correspondingly for the component.	Oct-09	Mar-09	PK / AC / AT	Amber
Impairments of Assets 4	IPSAS 21 & 26	IAS 36	1	Medium	Medium	Finance / Capita	Review the Council's revaluation reserve as at 31 March 2009 and ensure the correct treatment of impaired assets.	Amend any IFRS restatement requirements and agree these with the Audit Commission.	Oct-09	Nov-09	PK / AC / AT	Amber
Stocks (inventory) 1	SAAP 9 / IPSAS12	IAS 2	1	Lower	Lower	Service Managers and Finance	Analyse the Council's Balance Sheet for inventory classifications under the additional details required under IFRS.	Complete a revised accounting note to reflect the additional detail.	Sep-09	Nov-09	PK / CE	Amber
Stocks (inventory) 2	SAAP 9 / IPSAS12	IAS 2	2	Lower	Lower	Service Managers and Finance	Assess any additional requirement to collect IFRS detailed information on inventory at year end and communicate this to Service Managers	Confirm the approach on inventory with the Audit Commission.	Sep-09	Mar-10	PK / CE	Amber

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Anne Fearon, (Finance) (A.F)
Len Gleed, (Human R.) (L.G.)

Reference	UKGAAP Standard	IFRS Standard	Phase	Risk Rating	Impact Priority	Stakeholders	Engagement Action	Other Action	Start date	End date	Action owner	RAG Status
Post balance sheet events 1	IPSAS 14, FRS 21	IAS 10	1	Lower	Lower	Finance	Review actions after the balance sheet date in light of IFRS to assess if there are any implications on the accounts.	Assess any action required and agree the process with the Audit Commission.	Sep-09	Nov-09	PK / AC	Amber
Related party disclosures 1	IPSAS 20 / FRS 8	IAS 24	2	Lower	Lower	Finance	Review the Council's statutory accounts and other relevant documents such as contracts and arrangements for related parties and amend disclosures to meet IFRS requirements.	Assess any related party amendments required and agree these with the Audit Commission.	Oct-09	Mar-10	PK / AF	Amber
Provisions 1	IPSAS 19 / FRS 12	IAS 37	1	Lower	Lower	Finance	Review the Council's statutory accounts for provisions and ensure that IFRS requirements are reflected in the figures and that the figures are correctly analysed in the IFRS Balance Sheet format.	Assess any Provisions amendments required under IFRS and agree these with the Audit Commission.	Oct-09	Nov-09	PK / AC	Amber
Financial instruments 1	FRS 26	IFRS 7, SIC 5, IAS 39	1	Lower	Lower	Finance	Review all contracts for terms and conditions which may indicate embedded derivatives.	Assess the contracts impact if any embedded derivatives need to be accounted for separately.	Sep-09	Nov-09	PK / CE	Amber
Financial instruments 2	FRS 26	IFRS 7, SIC 5, IAS 39	1	Lower	Lower	Finance	Create an audit schedule of all contracts justifying the accounting treatment.	Confirm the approach and schedule with the Audit Commission.	Mid Oct 09	Nov-09	PK / CE	Amber

