



AGENDA ITEM: 6

NORTH WALES FIRE AND RESCUE AUTHORITY AUDIT COMMITTEE

7th June 2010

International Financial Reporting Standards Implementation - Impact Analysis; Accounting Policies; Project Plan

Report by Ken Finch, Treasurer

PURPOSE OF REPORT

- 1** The purpose of this report is to present to Members the initial stages for the implementation of the International Financing Reporting Standards (IFRS) and includes; an Impact Analysis detailing the effects of the introduction of IFRS on the Authority's accounts; Accounting Policy changes; and the Implementation Project Plan.

INTRODUCTION

- 2** There have been fundamental changes to the way the accounts are to be prepared and presented as required by IFRS. Furthermore, the Authority must demonstrate that it has a robust plan in place to implement fully the changes required by IFRS for the 2010/11 Statement of Accounts.
- 3** The next stage of this process is for Members to consider the Impact Analysis; approve the changes to the Accounting Policies; and approve the Implementation Project Plan. The three documents are attached to this report as Appendices A to C.

IMPACT ANALYSIS

- 4** Accounts in compliance with IFRS are based on International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), International Financial Reporting Interpretations

(IFRIC) and Standing Interpretations Committee (SIC). The initial stage of the process entailed preparing an impact analysis to compare the effects of these international standards with the former accounting standards applicable under UK Generally Accepted Accounting Practice (UK GAAP). This analysis is shown in Appendix A with those standards having a major impact being highlighted.

ACCOUNTING POLICIES

- 5 Some of the Accounting Policies will change to reflect the changes in how the accounts are prepared under the new reporting standards. The new Accounting Policies required under IFRS are shown in Appendix B and these will replace some of the old policies. These new policies will take effect from 1 April 2010.

PROJECT PLAN

- 6 The Project Plan at Appendix C details the progress so far in implementing IFRS for the Authority's accounts and outlines the additional steps to be taken to ensure a smooth transition. The Project Plan will be updated regularly to ensure that each stage is completed on the due date. The document demonstrates to the external auditors, KPMG, that the Authority has robust plans in place to implement fully IFRS for the Statement of Accounts 2010/11 as is required by statutory regulations.

RECOMMENDATIONS

- 7 The Audit Committee is recommended to note:

- (i) the Impact Analysis in Appendix A;

and approve the following key elements of this report, and recommend these to the Fire Authority:

- (ii) the Accounting Policies set out in Appendix B;

- (iii) the Project Plan set out in Appendix C.