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<b>REPORT TO:</b>	<b>AUDIT SUB COMMITTEE</b>	<b>AGENDA ITEM: 7</b>
<b>DATE OF MEETING:</b>	<b>6th APRIL 2011</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>DIRECTOR OF CORPORATE SERVICES</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>KEVIN STACKHOUSE (595811)</b>	<b>DOC:</b> u/ks/audit committee/IFRS/Update April 2011
<b>SUBJECT:</b>	<b>GRANT THORNTON – IFRS Restatement Review: Work Performed as at February 2011</b>	
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: AS 01</b>

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## **1.0 Recommendations**

1.1 That the report is considered and proposed actions approved for implementation for 2010/11.

## **2.0 Purpose of Report**

2.1 For the Committee to review the work of the Council's External Auditor on the Council's preparation for full implementation of International Financial Reporting Standards (IFRS).

## **3.0 Detail**

3.1 The report of Grant Thornton as the Council's appointed Auditor is attached to this covering paper. The Auditor will be attendance at the meeting to present the report and answer any issues and questions from the Committee.

3.2 The Audit objective of this review was to provide feedback on the Council's approach to restatement of the accounts for 2009/10 on an IFRS basis (i.e. a dry run) and a review of restatement work completed by the Council at the time of the review.

3.3 The purpose of restatement is intended to gauge the Council's level of preparedness for IFRS ahead of the 2010/11 accounts and financial statements.

3.4 Reports to the Committee in June and December 2010 provided background and detail about IFRS and the effect on the Council. These reports also highlighted work on-going ahead of the restatement.

- 3.5 The Auditor's report was based on work completed as at February 2011. Clearly, this flagged up several issues, for which progress has since been made and this is indicated in the issues log within the Auditor's report.
- 3.6 The main outstanding issue still to be fully resolved relates to accounting for property, plant and equipment. The Council's asset database has been upgraded for IFRS compliance and this has caused some issues.
- 3.7 Although this has now been implemented, the necessary output required for the financial statements is still to be finalised. However, this is being monitored closely and priority is being given to ensuring that this is completed correctly.

#### **4.0 Financial Implications**

- 4.1 None

#### **5.0 Corporate Implications**

- 5.1 None

#### **6.0 Community Implications**

- 6.1 Implementing IFRS in a timely and proper manner demonstrates a high standard of Corporate Governance, which is a key corporate plan action for 2010/11.

#### **7.0 Background Papers**

- 7.1 None