

Key Areas in detail	Action Required	By	Progress to date	Lead role
Leases (IAS 17)				
Leases need to be split between the land and building elements and re-assessed as operational or finance.	<ul style="list-style-type: none"> • Obtain list of all leases (land and buildings, equipment etc), incl. schools • List all properties and lease end dates / annual lease payments • Identify those leases where buildings lease is equal 25 years or more and review leases against IAS 17 criteria • For leased buildings under 25 years, identify significant leases and review against IAS 17 criteria • Review all equipment leases where lease payment significant or lease term is majority of asset life • Review leases held by schools • Split assets of leased properties between value of land and value of buildings • Determine whether leases are operational or finance • List and Review all contracts for embedded leases under IFRIC4 and ensure there is a timetable for collection of data from third parties if necessary (identify who these third parties may be and the data required) • Produce schedule / WP on classifications • Produce schedule / WP of accounting adjustments required for transition balance sheet 	<p>Mar 10</p> <p>June 10</p> <p>June 10</p> <p>June 10</p> <p>Aug 2010</p> <p>Sept 10</p> <p>Sept 10</p> <p>Dec 10</p> <p>Dec 10</p> <p>Dec 10</p> <p>Dec 10</p>	<ul style="list-style-type: none"> • Property list collated and reviewed. • Non-property and car leases reviewed. Small number of non-material finance leases identified • Large number of property leases below £10k deminimus • Major contracts list and periodic payments being reviewed. • Schools have sent details of lease agreements, which have been reviewed. 4 potential school finance leases • Most are operational, a few potential finance leases • A few outstanding leases awaiting property valuations • IFRIC 4 review completed and submitted to Audit Commission • Working papers complete except for the few outstanding leases 	<p>Josie Smith/Lindsey Galbraith Alison Hext</p>

Financial Instruments: (IAS 23 & 39)				
(Financial instruments were adopted in UK GAAP for local Government for the 2007/08 closedown.) This necessitated an examination of all financial contracts the Local Authority was a party to. Further work will be needed to extend the information further.	<ul style="list-style-type: none"> Update IFRS financial statements templates for any new notes / disclosure requirements Produce 2010/11 Financial instrument accounts and notes 	<p>Nov-09</p> <p>June 2011</p>	<p>Template completed</p>	<p>Heather Foster</p> <p>Sarah Curtis</p>

Employee Benefits: (IAS 19)				
This IFRS specifically requires Authorities to accrue for untaken holiday entitlement and flexi-leave at year end.	<ul style="list-style-type: none"> Design form for collecting holiday and flexi information – non-schools Agree approach with external audit Collect data for 31/3/09 from sample of staff to restate the balance sheet 1/4/09 Calculate 2008/09 closing accrual for non-schools staff Estimate 2008/09 accruals for school based staff using CIPFA methodology Collect data for 31/3/10 from sample of staff. Calculate and post 2009/10 closing accrual for non-schools staff Estimate and post 2009/10 accruals for school based staff using CIPFA methodology 	<p>July-09</p> <p>Aug-09</p> <p>Oct 09</p> <p>Oct 09</p> <p>Apr 10</p> <p>Dec 10</p> <p>Dec 10</p>	<p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Completed</p> <p>Calculation completed With audit commission awaiting audit</p> <p>Calculation Completed With audit commission awaiting audit</p>	<p>Julia Hathaway/Linda Bradford</p>

Property, Plant & Equipment				
<p>This may result in a difference in the valuation basis used for Fixed Assets. Under IFRS “fair value” is usually determined from market based evidence so where a market exists for assets that have previously been valued at existing use value, differences are likely to be encountered.</p> <p>Fixed assets are classified differently under IFRS.</p> <p>Component parts of assets have to be valued and depreciated separately.</p>	<ul style="list-style-type: none"> • Property – Review the basis of valuation for Fair Value. Revalue any asset where the basis of valuation changes under IFRS. • Review all residual values at 31/3/2010. This applies to 09/10 accounts and not the transition balance sheet. • Determine the criteria for identifying component parts to PPE • Identify components of 2010 capital programme • Review DRC calculations – (needs to be ‘modern equivalent’) • Review assets held as investment properties and reclassify if they don’t meet the IFRS criteria • Investment properties reclassified as PPE will need to be valued under fair value – market value • Assets held for sale must be classified as such and measured at lower of carrying amount and fair value, must be presented separately on balance sheet <ul style="list-style-type: none"> - 2009/10 restated - 2010/11 • Determine revaluation policy • Review asset lives (50 year rule does not apply under IFRS) • Restate 2009/10 transactions where required 	<p>Nov 10</p> <p>Nov 10</p> <p>Aug 10</p> <p>Oct 10</p> <p>Sept 10</p> <p>Dec 10</p> <p>Dec 10</p> <p>Dec 10 Mar 11</p> <p>Aug 2010</p> <p>Dec 10</p>	<p>Component policy completed</p> <p>Elements of spend is being recorded</p> <p>Modern equivalent to be incorporated into annual 20% valuations</p> <p>List reviewed and assets reclassified</p> <p>List confirming revaluations required is completed and awaiting revaluation</p> <p>5 year rolling programme to continue</p>	<p>Alison Hext</p> <p>Alison Hext</p> <p>Sarah curtis/ Alison Hext</p> <p>Lindsey Galbraith</p> <p>Alison Hext</p> <p>Sarah Curtis/ Alison Hext</p> <p>Alison Hext</p> <p>Alison Hext</p> <p>Alison Hext</p> <p>S Curtis</p>

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Investment Property				
IFRS alters the accounting arrangements for changes in valuation of Investment Properties and requires annual valuations	<ul style="list-style-type: none"> Opening balance sheet to be restated for balances held on the Revaluation Reserve for Investment Properties. The adjustment is Cr Reserve Dr Capital Adjustment Account (CAA) 	Dec 10	Fixed Asset Register amended and revaluation reserve restated	Alison Hext/Sarah Curtis
	<ul style="list-style-type: none"> Properties transferred in the year to be re-valued on Transfer (existing use value) and restated under IFRS balance sheet. 	Dec 10		Alison Hext
	<ul style="list-style-type: none"> Restate 2009/10 transactions for revaluations, depreciation and acquisitions 	Dec 10		Sarah Curtis

Non Current Assets Held for Sale				
IFRS definition is much tighter than the SORP definition for Surplus Properties.	<ul style="list-style-type: none"> Review all Surplus assets for compliance with the IFRS definitions of Held for Sale and transfer any out which do not meet this definition. 	Dec 10	Done	Alison Hext/Sarah Curtis
	<ul style="list-style-type: none"> Transfer any properties currently within Operational categories, which are due for sale and restate values at lower of carrying cost or fair value less costs to sell. 	Dec 10		
	<ul style="list-style-type: none"> Restate the opening balance sheet for these changes 	Dec 10	Opening balance sheet amended	Sarah Curtis
	<ul style="list-style-type: none"> Write back any depreciation charged on assets held for sale in transition balance sheet. 	Dec 10	Adjustment made	

Impairment of Assets:				
IFRS requires a different approach to charging for impairment costs. Under IFRS only the amount which exceeds any balance on the Revaluation Reserve is charged to I&E. There is a clear distinction between Impairment and Revaluation.	<ul style="list-style-type: none"> Determine whether any changes required for 1/4/09 balance sheet. Review 2009/10 impairments accounting for possible restatement. 	Dec 2010		Sarah Curtis
Infrastructure Assets				
Valuation of infrastructure assets to move to current valuation after 2010/11	<ul style="list-style-type: none"> WGA return for 2009/10 will require gross replacement cost to be identified WGA Return for 2010/11 will require gross replacement cost to be identified for further categories of infrastructure assets 	July 2010 July 2011	<ul style="list-style-type: none"> Completed – only carriageways required. 	Julia Hathaway Julia Hathaway/C live Hall
Cashflow statement				
New format - Simplified headings .Cashflow reconciles cash and cash equivalents rather than liquid resources.	<ul style="list-style-type: none"> Restate 2009/10 cash flow for IFRS format 	Dec-10	<ul style="list-style-type: none"> Template completed 	Heather Foster/Julia Hathaway
Group Accounts				
Accounting for subsidiaries not significantly different to UK GAAP. Definition of associates changed under IAS 28	<ul style="list-style-type: none"> Review group account arrangements under IFRS 3, IAS 28 and IAS 31 Review joint arrangements as to whether they constitute a joint venture 	Dec-10	<ul style="list-style-type: none"> Reviewed the changes and only one relationship needs re-assessing. Information has been forwarded to Legal. 	Julia Hathaway/Legal Services

