

IFRS - Implementation

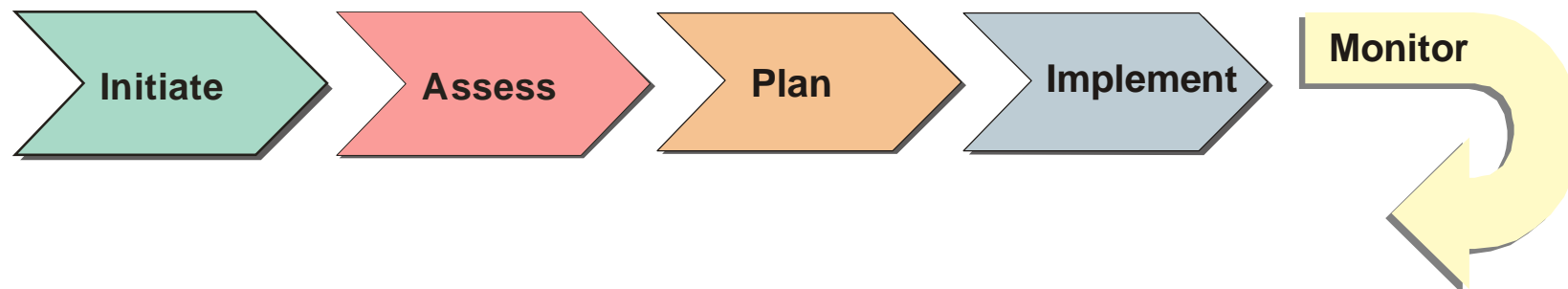


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Note:

For a brief overview of IFRS and its implications please refer to the FocusROI presentation entitled “IFRS the Basics”

Planning The Move to IFRS



Initiation	Assessment	Planning	Implementation	Monitoring
Steering committee Project plan Orientation	GAP analysis Stakeholder impact Syst./process review	Prepare IFRS policies Systems/controls impact Training Communication	Finalize IFRS policies Quantification of differences Make policy and IT changes Dry run of systems/controls	Monitor standards Periodic or systematic monitoring On-going testing

Initiate

- Establish a steering committee/ high level project plan.
- Understand impact of IFRS - identify major conversion differences
 - Obtain an understanding of relevant IFRS accounting policies, choices and potential differences - (This may be an ongoing process)
 - Identify high level differences between IFRS and Canadian standards that are expected to be in place at time of conversion.
- Assess Training needs
- Develop a communication plan/strategy to create awareness of IFRS, identify issues and potential impacts

Impact of changes required by IFRS

- Accounting systems on internal controls (ICFR and DCP)
- CEO/CFO and divisional sign-offs.
- Directors and officers liability
- Calculation of loan covenant requirements
- Entity reputation risk if restatements are required or errors are made as a result of the changeover process

Assess

- Detailed GAP analysis;
 - Identify key differences by FSA and disclosures (accounting policies, choices, IFRS 1 choices)
- Identify choices under IFRS and IFRS 1
- Research industry best practices in IFRS compliance countries, monitor local industry groups implementation progress; i.e. Oil & Gas.
- Prepare a preliminary IFRS financial statement and sample disclosures.....

Plan

- Prepare accounting policies under IFRS and obtain
- Develop project plan for IT and system changes required.
 - Two sets of books Parallel running or adjust to IFRS in 2010
- Develop/revise financial reporting processes to prepare IFRS financial statements
- Assess impact of revised processes on internal control systems and SOX requirements
- Revise budgets and financial targets using IFRS financials
- Conduct training programs for implementation team members.
- Monitor changes to IFRS and Canadian standards

Implement

- Obtain sign-off on all accounting policies, procedures and disclosures from audit committee, external auditors, management, etc.
- Quantification of GAP analysis differences
 - Assess impact of changes on key FSAs.
 - MD&A disclosure of differences
- Finalize and implement IT and financial system changes
- Implement accounting and disclosure policies
- Implement new internal controls and extent of testing.

Implement

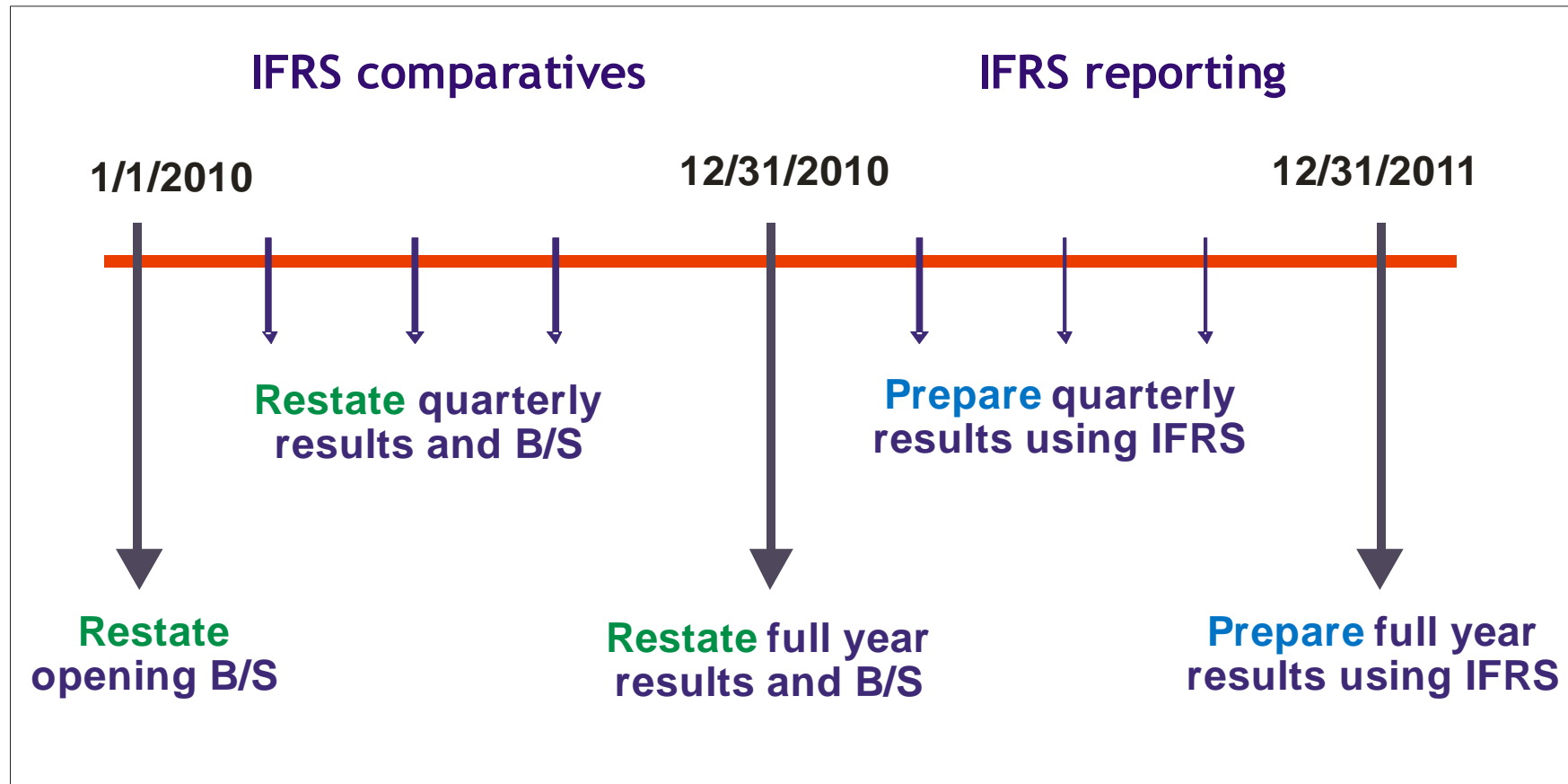
- Just-in-time training of junior accounting personnel and line staff.
- Do a parallel dry run of processes and controls.
- Prepare IFRS financial statements; finalize IFRS adoption notes and reconciliations.
- Prepare IFRS budgets and financial projections
- Adjust processes based on testing and dry run; finalize documentation

Monitor

Monitor implementation progress on a regular basis and take any corrective actions as necessary



Remember the Timelines...



Please contact
us for further
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