AICPA® Information Technology Section

Financial System Considerations

in IFRS Conversion Projects

1 Executive Summary

The purpose of this paper is to provide some brief background about International Financial Reporting Standards (IFRS) and provide awareness to the potential impact to an organization's financial systems when completing an IFRS conversion project. The information provided assumes the reader has some general background information about IFRS. The following information will be discussed throughout this paper:

- Background of IFRS and Information Technology (IT) impact when converting to IFRS
- Key differences between IFRS and U.S. GAAP and the impact to financial/business reporting
- Implementation considerations
- Learning from the European experience
- IFRS transition in Canada

2 Background of IFRS & IT Impact

Today, more than 100 countries require/permit the use of International Financial Reporting Standards (IFRS), or are converging with the IASB's standards. On February 24, 2010, SEC Chairman Mary L. Schapiro released a public statement regarding convergence between International Accounting Standards Board (IASB) and Financial Accounting Standards Board (FASB) standards: "For nearly 30 years, the Commission has promoted a single set of high-quality globally accepted accounting standards, which would advance the dual goals of improving financial reporting within the U.S. and reducing country-by-country disparities in financial reporting, but supporting this goal is only the beginning of the discussion, not the end."

In the AICPA IFRS Preparedness Survey conducted in September 2009, a 54% majority of CPAs believed that the SEC should ultimately require adoption of IFRS for U.S. public companies. Furthermore, more than 50% of respondents expressed a need to know some level of IFRS over the next three years. However, with these uncertainties surrounding U.S. CPAs and the SEC's decision to mandate IFRS for U.S. public companies, some organizations question, why convert to IFRS? According to the IFRS Primer for Audit Committees, considerations for filing of IFRS financial statements include:

- Multinational companies may benefit from the use of common financial reporting systems
- IFRS may ease financial statement comparability among companies
- IFRS is intended to facilitate cross-border investments and access to global capital markets

Other key benefits include opportunities to improve/streamline business functions and processes, globally integrate the financial IT systems, and achieve consolidation/reporting efficiency. On the other hand, there are risks associated when a company decides to convert to IFRS. Some of these risks are excessive resource spending, improper data management or migration, incomplete revisions of policies and procedures, future changes that standard setters may issue, and more.

While there are many benefits and risks to converting to IFRS, a few key factors should be taken into consideration prior to implementation or during project planning. Although the IASB and FASB are working toward convergence, many differences currently exist between the two sets of standards (see Key Differences between IFRS and GAAP below). It will be important to monitor the changes as the two boards complete their joint work plan as outlined in their Memorandum of Understanding (MoU). Furthermore, companies should first assess which principles/standards will impact their organizations directly, conduct some research, and have a strong understanding prior to implementation. A detailed discussion regarding project planning is further explored under Implementation Considerations.

Potential System Impacts of an IFRS Conversion

As a company prepares to convert to IFRS, the impact to information technology (IT) and financial systems should be taken into consideration during the planning phase. Representatives from the company's IT department should be involved throughout the planning process to evaluate how the proposed accounting changes will impact the financial systems (transactional or reporting).

The impact to IT and financial systems can vary depending on a company's existing structure and environment. This may include its IT and financial systems capability/integration, industry complexity, company size, relevance of business process/transaction, internal control structure, mergers & acquisitions process, and other attributes.

If a company's IT and financial systems are substantially integrated globally, then the degree of impact or modifications may be lower (although this is not always the case). The extent of changes may be primarily some sub-ledger configuration changes and more extensively in the general ledger and consolidation system. However, if a company has frequently acquired entities (each with unique financial systems) and has not yet integrated the acquired company systems within the organization's infrastructure, then the degree of system impact may be quite large at the sub-ledger level as well as the internal reporting level.

The extent of changes may also vary depending on the consolidation method that management chooses. Consolidations may be implemented at the corporate-level or at each individual country/entity. However, companies that implement at the corporate level may potentially run the risk of error and potentially re-stating their financial statements as well as other situations if the numerous journal entry adjustments are not tracked or controlled properly. Furthermore, if a dual reporting system is in place during the transition period, the reconciliation process needs to be taken into consideration. Reconciling between two different "views" of the financial statements poses different problems than singularly supporting one version or the other. Therefore, having an effective reconciliation reporting system is an important aspect to the learning curve of the IFRS transition.

While system changes will have costs associated with them, some companies or the management team may view the IFRS conversion project as an opportunity to re-assess and improve the internal business processes. It will be up to the organization to determine which path to choose, and the outcome associated with the path. Below is a chart that highlights some of the impact to IT and financial systems.

If the company is ready to convert to IFRS, it's important to ensure that the company has good change management policies and procedures in place. Having strong policies and procedures will be beneficial if further system revisions are required and traceable for internal

Exhibit 1

Potential System Impacts During IFRS Implementation

Type of System	Sub-ledger System	General Ledger System	Consolidation System	Internal Reporting System
Typical Impact	Configuration in existing system New or upgrade of sub-ledger system Alternative reporting solution	Revision of chart of accounts Multiple set of GL accounts (or "books")	Extract, transform and load (ETL) tools Data quality management	Data warehousing system/metadata repositories Business intelligence system Reporting queries/ programs
Examples	Conversion from LIFO reporting Tracking of R&D expenditures	GAAP, IFRS and local statutory reporting Tax reporting Segment reporting Disclosure requirements	External reporting requirements (examples) listed in the left Role of XBRL in facilitating Possible change in entities to be consolidated	Budget and forecasting models Revenue analysis reports

control purposes. Refer to Implementation Considerations below for more details about impact to Internal Controls.

3 Key differences between IFRS and GAAP & impact to financial/ business reporting

Transaction Differences

There are a number of differences between U.S. GAAP and IFRS. Below is a chart that highlights a few of these differences.

In addition to the transaction examples listed below, the IASB and FASB are also working jointly on several MoU projects targeted for completion in 2010 and 2011. Major convergence projects include:

- Revenue Recognition
- Leases
- Financial Instruments
- Consolidations
- De-recognition
- Fair Value Measurement
- Financial Statement Presentation
- Financial Instruments with Characteristics of Equity

As these major MoU projects are completed and new standards are released by the FASB, these changes will impact how the transactions are recorded, processed and/or reported within a financial system (most likely prior to converting to IFRS depending on the time of completion). It is important to monitor both the FASB and IASB Web sites for project updates on when the standards are under exposure draft (review) and ready for release (final).

Certain IFRS/GAAP differences may be adjusted through General Ledger journal entries or chart of account structuring and do not require system changes at the sub-ledger level. The approach will vary depending on the organization's structure and environment described above in Potential System Impacts of an IFRS Conversion. Additionally, this list of examples will continue to change

Exhibit 2
Transaction Differences

Accounting Transaction	Primary Difference(s)	Impact to IT Systems	Examples/Applicability
Inventory	IFRS does not permit Last In First Out (LIFO) method Method of measuring inventory Reversal of write-downs	Process and unit cost calculation changes may be required in inventory sub-ledger system	Manufacturers, retailers, distributors
Property, Plant & Equipment	IFRS requires certain assets and depreciation be recorded at component level	PPE assets may be required to account separately by significant component pieces	Manufacturers
Intangible Assets (such as R&D) and Impairment	Development costs may be capitalized when certain conditions are met and require more detailed reporting Impairment testing	System changes may be required to capture R&D projects' costs in more detail	Manufacturers/high-tech (e.g., software development)
Share-based Payments	Timing of recognition Valuation of liability-classified transactions	Changes may be required in the Payroll/HR/or alternative sub-ledger system	Companies exchanging stock or other equity instruments for goods/services

as the FASB and IASB continue their efforts to converge standards.

Impact to Financial or Business Reporting

Besides specific transactional differences, converting from U.S. GAAP to IFRS will also impact a company's external and internal reporting requirements. Although some transactional differences require only journal entry adjustments within the General Ledger (or minimal financial system changes), other changes may impact an organization's current reporting infrastructure (such as data warehousing environment or associated reporting program). Furthermore, journal entry adjustments for multiple countries and parallel reporting in IFRS and GAAP may become cumbersome without additional tools to assist in the reporting process (such as a consolidation tool). Below is a chart that highlights some of these external and internal reporting examples.

Similar to the transaction differences, it is important to monitor both the FASB and IASB Web sites for MoU-related project updates since several of these projects also relate to the financial reporting requirements listed above. In addition, the challenge to implementing these transactional or reporting changes is that organizations will still have to consider dual reporting once the entity decides to convert to IFRS. Companies will have to either (1) maintain both processes for statutory reporting until the three-year requirement is complete or (2) maintain one process and make topside adjustments to the other statutory reporting requirement. While both alternatives are achievable, option 2 can become cumbersome, dif-

Exhibit 3

External and Internal Reporting Differences

Reporting/Presentation	Example of Difference(s)	Impact to IT Systems	Examples/Scenarios
Segment reporting	Basis of segmentation Segment reporting disclosures required may differ	Additional categorization may be required in the GL Secondary segment may need to be defined within the reporting system	Segmentation defined may differ due to Internal reporting structure and business risks associated
Interim reporting	IFRS requires discrete period approach	Data capture may need to be revised to capture the information properly	Costs that do not meet definition of an asset cannot be deferred
Financial Statement Presentation and Disclosures	Presentation of comprehensive income Consolidation of subsidiaries	GL chart of accounts may need to be re-mapped to present dual reporting Data capture may need to be revised for a reporting or consolidation system	Dual chart of accounts/general ledger Adjustment of financial statements: balance sheet, income statement & cash f ow
Internal Business Reporting	Potentially impact an organization's current reporting infrastructure	Data structure may need to be revised within a data warehousing environment Data capture may need to be revised within a business intelligence/reporting software	Supply chain dashboard/KPI that reports from inventory sub-ledger system Calculation to determine operational budget or product/ segment analysis

ficult to track and not ideal/feasible. Explanation of the dual-reporting timeline is further discussed under Implementation Considerations.

The AICPA's *IFRS Primer for Audit Committees* addressed two relevant IT-related questions that management should consider during the implementation process:

- How will this affect the company's way of doing business (e.g., changes to IT and other internal systems; risk monitoring and controls; inventory accounting; budgeting and forecasting; key performance indicators; joint ventures and alliances; subsidiaries; etc.)?
- How is management making system changes or implementing new systems today, in recognition of possible changes in the future?

As the previous examples point out, transactional and reporting differences between IFRS and U.S. GAAP do affect a company's way of doing business. This leads to implementation issues to consider as a company decides to convert to IFRS.

4 Implementation considerations

As with any major corporate initiative, planning ahead is critically important. Sizing the task at hand allows for prudent assignment of resources within the company and engaging external assistance. Recognition and indeed sponsorship by top management will help to ensure the success of an IFRS implementation.

Project cost considerations

The cost of an IFRS implementation will be determined largely by the size and complexity of the respective company. The SEC predicted that the largest U.S. registrants that adopt IFRS early would incur about $32 million per company in additional costs for their first IFRS-prepared annual reports. This includes both internal and external costs.

Since the costs to convert can be substantial, the upfront planning and project sizing are very important. The estimates by the SEC are clearly averages and may not correlate closely with individual company experiences.

It is evident that the time leading up to the conversion will absorb the vast majority of budgeted dollars. If managed strategically, the implementation could be leveraged to accomplish other needed reporting enhancements previously delayed. When viewed over a longer horizon, an IFRS project could also accelerate system improvements that were only on "wish lists" for possible future consideration.

The extent of IFRS conversion

In evaluating and planning for an IFRS conversion, it is not always clear at the outset where that "conversion" will take place. The following summarizes some options plus implications for IT.

a. Consolidated financial statements

In some companies, top-level-only adjustments may be required to convert to IFRS. This may be accomplished in existing consolidation tools and/or may require supporting calculations for the adjustments. While this may suggest that the impact on IT would be minimal, it could nevertheless be necessary for underlying systems to generate the data/information to make the top-level adjustments. Tools such as Convergence Assistant (discussed later) may be of help here as companies make adjustments to convert to IFRS.

b. Separate financial statements (e.g., subsidiary level)

In an international company operating under various jurisdictional requirements, it may be appropriate for changes connected with IFRS to be made at a subsidiary level. This means, of course, that the underlying transactional detail must be compiled at the subsidiary level. The subsidiary systems may or may not be able to capture such detailed information, which means that system enhancements must be made at that level.

c. In parallel within the ERP system

Some ERP systems have the capability for running parallel "sets of accounts," for example,

under U.S. GAAP and IFRS. This may assist companies having such systems to plan for and successfully convert to IFRS. IT challenges can still remain under such systems.

Decisions must be made as to the appropriate treatment of transactions so that information feeding into the parallel accounts is appropriate. Further, depending on the accounting issue, information may need to be generated/understood at a deeper level such as in the payable or receivable systems. In other words, the underlying systems of record may need to be altered to accommodate a "new way of looking at things" (IFRS).

d. Allow for the possibility of various "versions" of IFRS

Although great efforts are being made to arrive at a singular IFRS that cuts across all global jurisdictions, there is the distinct possibility that companies may face different versions of IFRS. For example, there could be IFRS issued by the IASB, adjustments under European Union regulations, localized versions of IFRS, and so on. IT systems can play an important role in facilitating reporting under such varied scenarios if the systems can render data and information at a granular enough level to be rolled up in different ways. Unless a company's IT systems allow for such f uidity, workarounds may need to be developed.

One possible solution to handling reporting expectations could be the use of XBRL as further discussed below in the section IFRS Transition in Canada: How XBRL Is Helping. A key feature of the XBRL Global Ledger (GL) Framework and tools such as Convergence Assistant is that they can facilitate reporting under different standards such as U.S. GAAP and IFRS in parallel. XBRL GL can also represent granular business information in parallel such as maturity information, depreciation and many more items.

As companies begin to plan for the conversion project, the project team should be aware that the conversion project will involve multiple years of planning, design and implementation. This is assuming that two years of dual reporting will be mandated or required before the set adoption date. A sample project line summary is presented below.

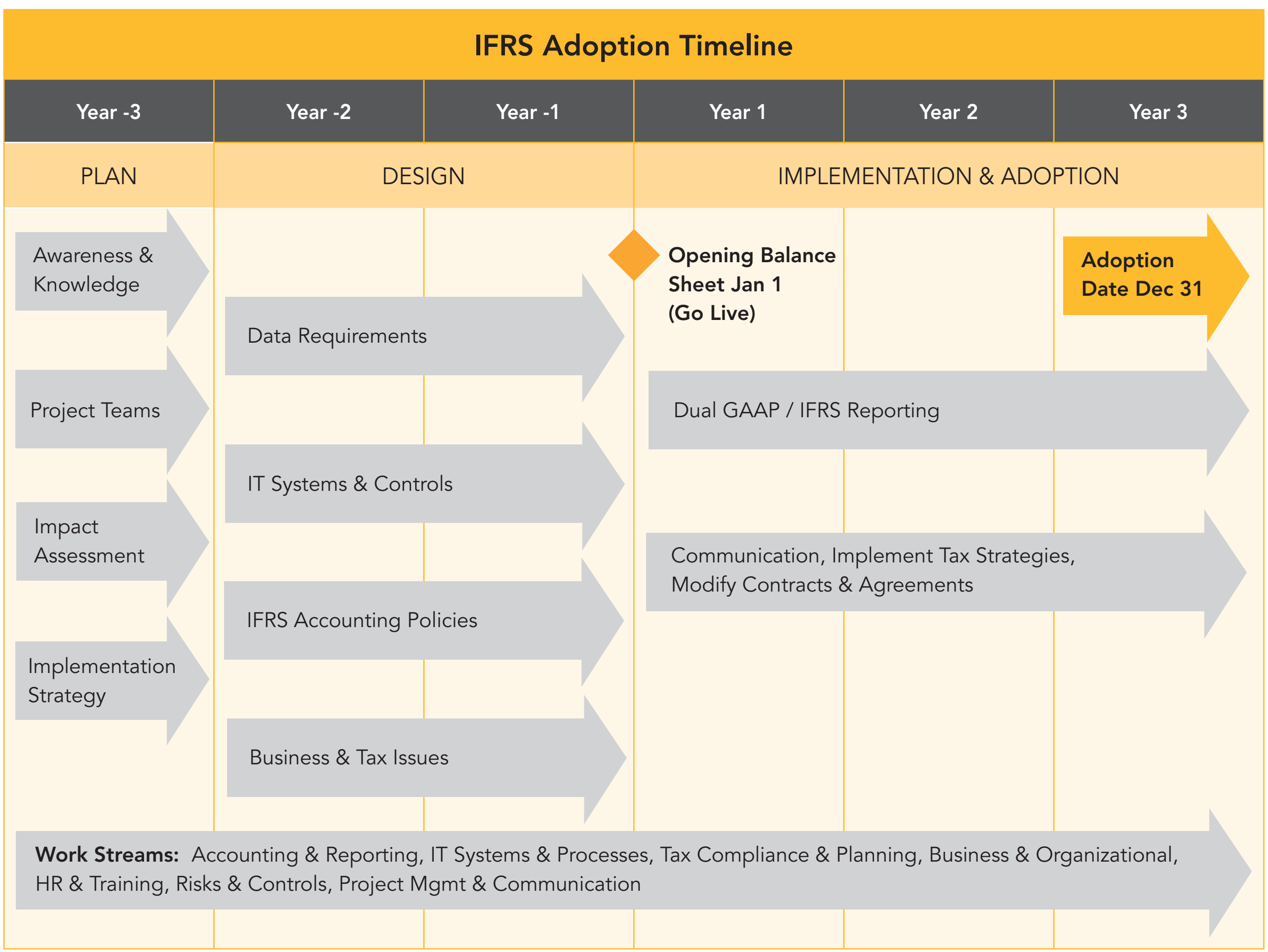
Internal Control considerations

Compliance with Sarbanes-Oxley requirements and meeting external auditor expectations requires a company to have a documented process of how financial reports are completed. Depending on the extent to which processes will change, be created, or run in parallel in an IFRS implementation, internal controls will need to keep pace. Consequently, internal audit departments must be involved from the beginning of an IFRS implementation and risks and controls identified with any process changes.

The process of creating financial reports under IFRS not only includes different ways of compiling data but also involves judgments as to what that data means. In other words, internal control systems/documentation may need to be expanded to ref ect the increased use of judgments and textual descriptions associated with IFRS.

Exhibit 4

AICPA's Suggested Timeline Chart



As an example, IFRS requires certain assets and depreciation be recorded at component levels and consequently, processes will need to be upgraded to capture this more granular data, and judgments must be documented related to identifying components and determining depreciation lives.

Training considerations

As suggested by the first arrow in the above timeline in Exhibit 4, "Awareness and Knowledge" must be gained early in the process. Such training can be obtained either outside the company or through courses available on the internal learning management system. Significant to note is that the need for training extends beyond the accounting department. Anyone who is moderately involved in the IFRS conversion should have some basic understanding of what is driving the need and system upgrades.

Following the initial burst of training, companies will need to develop an ongoing program that keeps staff current on IFRS developments and fast-tracks new hires into this new knowledge arena. Most accountants in the U.S. will have had little or no previous educational background with IFRS. Organizations such as the AICPA have committed to being an excellent resource to the entire financial community on IFRS subjects.

5 Learning from the European Experience

IFRS conversions have been completed in numerous countries and it can be instructive to consider those experiences. The European experience can offer such lessons. One cannot say that the "European experience" was consistent across all involved countries but some general insights can be gained.

The conversion from national GAAP reporting to IFRS was first mandated by the Council of the European Union in 2002 for all member states. Many of those conversions occurred beginning in 2005 and additional countries later became subject to the same requirement.

European companies generally had only about two years to convert to IFRS. Many companies approached the change from an accounting and reporting perspective and dealt with business and operational issues later in the process. While meeting the short-term requirements, companies sometimes experienced longer-term

inefficiencies attributable to incomplete planning or insufficient up-front investment in processes and systems.

Some lessons learned from the European experience include the following:

- Start the planning process early. Most readers understand that technology projects often require long lead times. The average IFRS conversion time is likely to be between two-and-one-half and three years.
- Identify difficult accounting or systems issues early in the process. It would be a mistake to leave such items to the tail end of a planning or implementation process. Researching and securing the judgment of professionals on technical issues usually takes time.
- Allow for unforeseen problems as you near implementation. Systems should be tested well ahead of the time to "go live."
- When evaluating accounting/reporting issues, give due consideration to long-term impacts of the resulting decisions.
- Devote extra attention to the extensive disclosure changes that may be required by the conversion. Such footnote information may need to be gleaned (or created) from various internal sources and systems. Consequently, when planning IT infrastructure needs, envision how required information will roll up to the financial statements.
- Complete training early and often. Though some groups within a company may be "experts" on IFRS, there is a need to extend that understanding beyond a small group. As described above in this paper, changes are often required at transactional or country-specific levels during a conversion to IFRS. Having trained people at different levels and locations will make for a smoother conversion and also will provide a broader talent pool as people transfer or advance within the company.

It should be noted that the costs to convert to IFRS will likely be higher on a per company basis in the United States than they were in Europe. Several factors are at play here. The SEC requires two years of historical comparative financial statements. Also, moving from a "rules-based" U.S. GAAP to more "principles-based" IFRS may be more onerous compared to some European companies who were operating under national GAAP more akin to principles-based standards.

6 IFRS Transition in Canada: How XBRL Is Helping

Requirements

In Canada, publicly accountable profit-oriented enterprises will be required to use IFRS in interim and annual financial statements on or after January 1, 2011. The same Canadian entities that are facing the IFRS switch-over in 2011 are currently exploring the use of the Extensible Business Reporting Language (XBRL) within a voluntary filing program (VFP) launched by the Canadian Securities Administration (CSA). The VFP is based on the local GAAP taxonomy (CA-GAAP) and IFRS.

This situation suggests that, on one hand, the Canadian business community is facing a transition similar to the one that the U.S. business community experienced with the SEC XBRL VFP, now a mandate. On the other hand, they are also facing the certainty of a relatively near switch-over to a different set of accounting principles. This creates two requirements for the business community to adhere to: adoption of a new reporting-oriented technology (XBRL) and transition to a new set of accounting principles in regulatory reporting (IFRS).

While the transition to IFRS may impact a magnitude of systems as described in Exhibit 1, this particular case study example will primarily focus on the consolidation and reporting aspects of the IFRS conversion project at the trial balance level and during the phase of meeting dual-reporting requirements (or parallel reporting in IFRS and Canadian GAAP).

Why XBRL

XBRL provides two key features to support the transition to IFRS:

- Financial Reporting (FR) XBRL taxonomies provide an existing authoritative, standardized and freely available framework to support both CA-GAAP and IFRS
- The XBRL Global Ledger taxonomy (XBRL GL) enables a distinctive standard-based approach that captures differences in accounting principles at trial balance or transactional level and ref ect them in the resulting financial statements

The Convergence Assistant

XBRL Canada, the local Jurisdiction of XBRL International Inc., has worked with Canadian regulators, accounting firms, and the XBRL team of the IASB in various initiatives designed to support the Canadian business community in the transition. Among these initiatives is the development of the Convergence Assistant (CA) — convergenceassistant.com — an XBRL-based, publicly and freely available tool to help support both the transition to IFRS and the implementation of XBRL for regulatory filings.

The CA allows the user to upload a trial balance and to map its chart of accounts to a standard chart of accounts

to generate the "views" of the resulting financial statements under both the IFRS and the CA-GAAP principles, leveraging predefined mappings — also expressed in a standardized XBRL format — to the IFRS and CA-GAAP XBRL taxonomies.

It is important to note that the CA is meant to help companies understand how standards-based tools — and XBRL in particular — can support the process of IFRS transition, not intended to provide a complete solution. In this example, only trial balance information is considered; this means that differences between the two sets of accounting principles that are not captured at trial balance level are not supported.

This example can help users understand the concept of standardizing metadata and use it as a foundation to implement within their own corporate environment to provide the level of completeness required. However, it is possible to apply the same standardized approach to information "below" the trial balance level – at transactional level, where many of the differences that are not immediately available in a simple account to account mapping are captured. It is also possible to standardize and incorporate in the same way non-transactional information that is also required for a complete set of financial statements. The more the user broadens the scope of standardization and inclusion of different types of data, the more the end result will be complete and final.

On the other end, there is value also in not going all the way. Standardize only a part of the process where the benefits of standardization of data from different data sources/business units/processes are particularly significant, and integrate the additional information required in other ways in a separate step. The value of a standards-based approach is that it does not replace (necessarily) existing processes and applications; it helps integrate data and make retrieving/reporting the data more efficient.

Process Overview

- Reporting structural differences between local GAAPs and IFRS are often, even though not exclusively, ref ected at trial balance level — See Exhibit 5 for an example
- A standard chart of accounts (SCOA) with pre-defined mappings to IFRS and local GAAP financial reporting concepts can distinguish these differences and make them available in an application-independent environment — meaning that they can be applied to corporate data no matter in what accounting software or ERP application that data was created or is stored — and immediately applicable to the business' specific data with a simple account-to-account mapping
- Other differences can be ref ected at more granular level — journals, transactions — that can also be standardized and linked in a similar way
- A relevant part of the IFRS/Local GAAP gap analysis can be captured using XBRL GL, the Canadian GAAP, and IFRS XBRL taxonomies

Software applications based on standards such as XBRL help companies transition from local standards to IFRS more easily. While all the functionalities that the Convergence Assistant does can easily be achieved by a proprietary-based application developed for the purpose, utilizing a standards-based application has additional benefits; the Convergence Assistant and the artifacts that it generates can tailor to the user's specific requirements, integrate in their existing processes and IT infrastructure without the need to modify them in any way, and cross-support other key internal reporting and auditing processes.

Exhibit 5

An example of reconciliation between different financial reporting standards at trial balance level

Financial statements – US GAAP

Current Assets		
Cash and cash equivlalents	20,199	19,778
Receivables	18,490	16,292
Inventories - LIFO	25,364	23,242
Prepaid expenses and other current expenses	8,955	7,137
Deferred income tax	85	60
	73,093	66,509

Income Statement		
Cost of goods sold	286,000	257,000

Financial statements – IFRS

Assets, Current		
Inventories - FIFO	31,364	30,242
Trade and other receivables	18,490	16,292
Finance lease receivables	198	188
Other financial assets	8.757	6,949
Current tax assets	85	60
Other assets	-	-
Cash and bank balances	20,199	19,778
	79,093	73,509

Income Statement		
Cost of sales	280,000	243,000

Account	Description	Amount	D/C	Date
1210	Materials	24,435	D	6/30/2008
1220	Work in process	929	D	6/30/2008
1350	Inventory Adj.	6,000	D	6/30/2008
	Total	31,364		

The example in Exhibit 5 is limited to differences that are captured at trial balance level, but it demonstrates how the availability of a sufficient level of detail underlying the financial statements (or metadata attributes) enables the representation of relationship between reporting concepts in the two formats that cannot be expressed in a direct mapping between the concepts themselves. The same approach can be applied to information that is captured below the trial balance level, for example at the transactional level, or in separate data sources, which can also be standardized and linked using XBRL GL.

Conclusion to Transition In Canada

The Canadian experience shows how a standards-based IT approach can not only provide an effective solution for the immediate need of transitioning to IFRS, but can also do so in an application-independent environment. The fact that corporate data are seldom, if ever, available in a single data repository/software package — even when a consolidation/reporting application is in place — is a major issue that makes the reporting and transition process even more challenging.

A standards-based approach successfully addresses this process issue by providing a single, standardized "view" on the relevant data no matter where they were created or are currently stored, via mapping. Once the data is standardized, a single, consistent set of conversion rules supported by an open standard and centrally maintained can be applied to it. This enables/supports the transition process; compliance with an XBRL regulatory mandate — if existing — is also achieved along the way.

Such a solution becomes a sort of standardized browser that allows leveraging the intellectual property on the internal knowledge of local GAAP/IFRS convergence or transition and make it transparently available through the mappings to enable the automated comparison and reconciliation between the financial statements expressed under the two sets of accounting principles.

In a broader perspective this approach enables a more sustainable processing environment that can effectively automate current compliance processes that are largely manual, decentralized and redundant, especially in global entities that have to comply with different jurisdictional requirements.

Even though not in scope in the Canadian application, the extensibility of XBRL taxonomies and the possibility to support additional reports that share the same underlying data are represented by XBRL taxonomies, either publicly available or developed internally. This provides opportunities for businesses to build on this standards-based data integration, reconciliation and convergence approach to support other key processes like internal reporting — business intelligence, tax compliance, management reporting — or internal auditing and controls. Another key consideration in this respect is that the implementation of this approach does not require the replacement of the existing systems; rather, it complements them by providing incremental functionalities that would otherwise require a substantial investment in the corporate IT environment.

The next IFRS IT resource will be issued late 2010 to provide a deeper dive of IT-related topics not discussed in this paper such as: infrastructure, data governance and data repositories, configuration changes, report design requirements and many more.

References:

iasb.org

sec.gov

xbrl.org

aicpa.org

ifrs.com

aicpa.org/infotech

fasb.org

AICPA IFRS Readiness Tracking Survey – 09/2009

International Financial Reporting Standards (IFRS) — An AICPA Backgrounder

IFRS Primer for Audit Committees

"Are You Ready for IFRS? Moving Beyond the Basics", Volume I, Leah Donti, AICPA Publication, 2009 and Volume II, Deloitte Touche Tohmatsu, AICPA Publication, 2009

"IFRS Accounting Trends & Techniques", Patricia Doran Walters, AICPA Publication, 2009

Contributing Authors:

Gianluca Garbellotto is an internationally acknowledged expert on the business and technical aspects of the Extensible Business Reporting Language (XBRL) and XBRL Global Ledger Framework (XBRL GL). He is the current Chair of the XBRL Global Ledger Working Group, a member of the IMA XBRL Advisory Group and the XBRL columnist for IMA's Strategic Finance magazine.

Janis W. Parthun, CPA/CITP, CISA is a senior technical manager of the AICPA's IT Section and Certified Information Technology Professional (CITP) Credential program. The focus of the IT Section and CITP Credential program is to provide educational resources to CPA professionals interested in Information Assurance and Information Management.

Greg Zegarowski, CPA is the president of the Financial Leadership Corporation, a company focusing on building sustainable success through enhanced reporting, compliance, and data governance. He is currently a voting member of the international XBRL Global Ledger Working Group and a frequent speaker at professional events.

AICPA®

10414-378