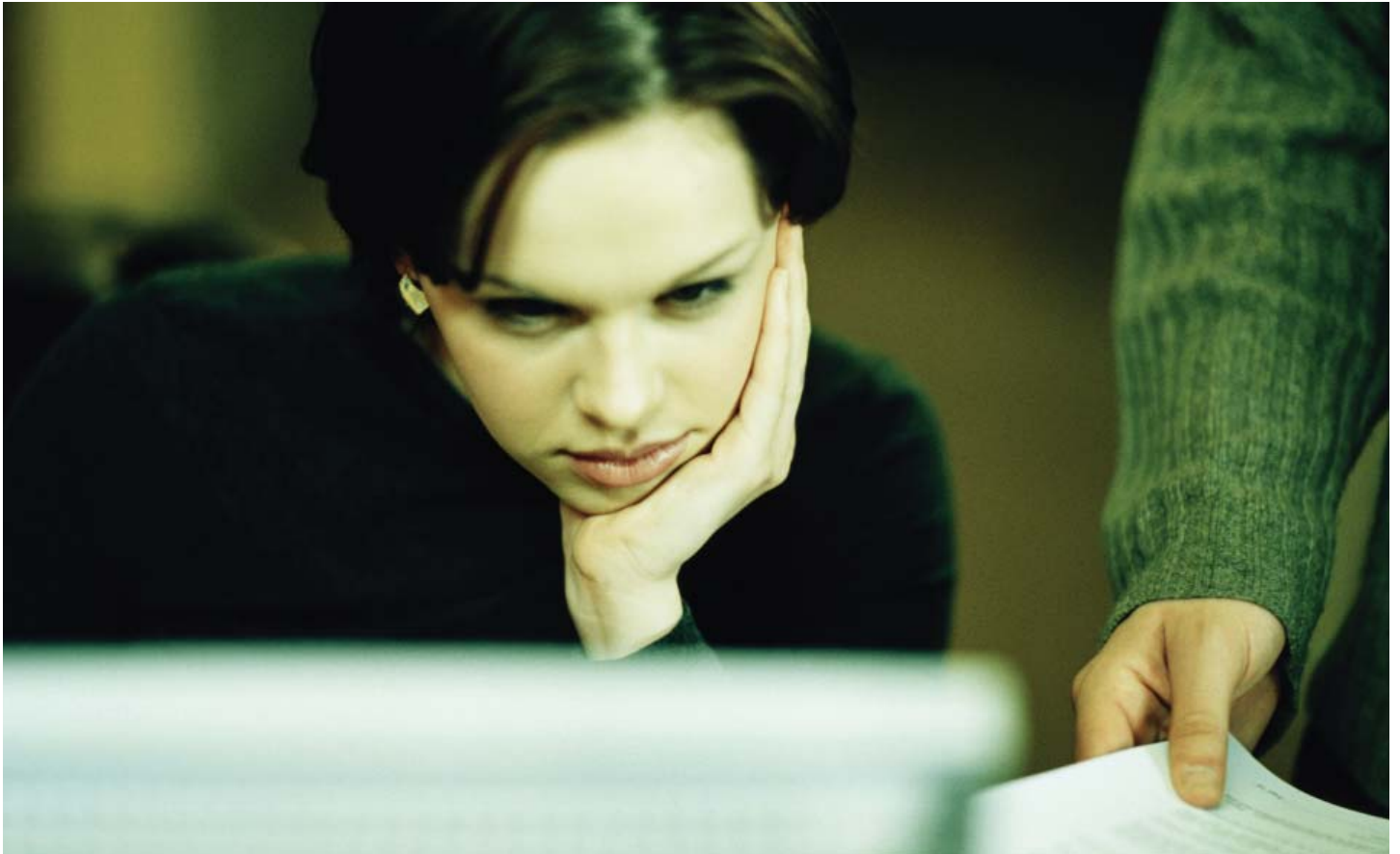


Complying successfully with IFRS will be a weight off your mind. Until next time.



## Why IFRS needs embedding\*

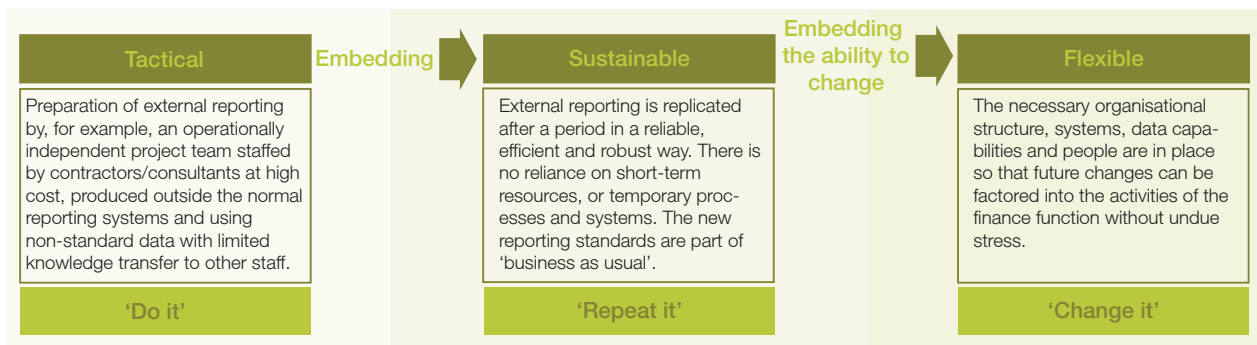
Embedding is about changing **tactical** approaches, designed to meet the immediate **IFRS reporting deadlines**, into more **sustainable**, efficient and effective procedures. It is about being able to apply IFRS as business as usual.

This means that the changes that IFRS demands are reflected in your business's processes and controls, data, systems and technology. Embedding also encompasses people capabilities, performance management and reporting strategies.

IFRS goes beyond initial implementation. Addressing the need to embed IFRS reporting into your finance function will mean you are able to meet the IFRS challenge, in an environment that demands flexibility in order to deliver continuing change.

[www.pwc.com/ifrs](http://www.pwc.com/ifrs)

# What does embedding look like?



## What areas of my business do I need to address?

### Processes and Controls

- How do I produce management financial information, including budgets and forecasts, on an IFRS basis?
- How can I achieve end-to-end control rather than 'silo control'?
- How can I get consistency from my different business units?
- How do I control all of these tactical and 'sticky tape' solutions? They make Sarbanes Oxley compliance so much more difficult...
- It is taking us too long to close the books every period – how can we accelerate this?

We can help you implement revised management reporting, forecasting and budgeting processes consistent with the requirements of IFRS. We can also help you review period end close processes within your business units and the group finance function to ensure that the new reporting requirements under IFRS are followed. The aim is to increase understanding, eliminate manual intervention and poor control features, reduce resource levels and increase the speed with which numbers are produced. This also helps to ensure that the output from the finance function is explainable, auditable and of appropriate quality.

### Data, systems and technology:

- When are we going to get a single version of the truth?
- The systems cannot deliver the here and now, never mind future challenges
- How can I get the most from IT spend?
- How can standards based reporting and XBRL help me, either to solve short term headaches or to give me a strategic solution?

You will need to consider moving to a general ledger and chart of accounts that is compliant with IFRS to replace the ledger that is based on historical GAAP. The changes to IFRS will mean that your data procedures need to facilitate the timely update of general ledger chart of accounts and reporting systems to reflect changes in accounting and disclosure requirements. Manual spreadsheet methods and offline solutions won't be sustainable in the long term. We can help you choose a data model that minimises rework and reconciliations.

### People capabilities:

- How do I stop all of my institutional knowledge walking out of the door when my staff leave?
- How can I groom my staff to be the management team that I will need in 5 years time when I don't even know what the department will look like in 2 years time?

- I need to start retaining staff rather than always recruiting replacements
- How will my team ever cope with all of the new technical requirements on top of everything else?

You will need to move away from a centralised project team, towards delivery of IFRS within your line finance functions, transferring knowledge throughout the organisation.

### Organising the finance function:

- What is/should be the role of finance now? I can't work out where it fits in the organisation any more...
- What are my peers doing in my industry/in other industries? Where should we be by now?
- My corporate centre seems to know what's expected but I am getting garbage in from the business units...
- How can I pull all of these different governance frameworks together?

To stop your highly trained staff spending time on low value tasks that may arise from tactical IFRS implementation, we will work with you to alter your resourcing model. This will help the finance function to address the ongoing changes to IFRS, allowing highly qualified finance teams to focus on the true value adding areas of the business (supporting management decisions etc).

### Planning strategies:

- How can I reconcile the role of business partner to that of corporate steward?
- How can I be a business partner when we can't even cope with business as usual?
- How can I start to add value rather than incur cost?
- Why is it that so much of what my function produces ends up in the bin?

We can help you implement resource planning and continuous improvement disciplines throughout the finance operation. In practice this means moving beyond the rudimentary annual budget process to establish a strategic plan for finance.

For more information on embedding IFRS please contact your local PricewaterhouseCoopers office, or:

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