

## Current Affairs Noticeboard

### **Australian companies struggle to understand IFRS**

Australian companies are struggling to properly understand and implement new accounting rules that become law from January 2005, according to a survey released yesterday by PricewaterhouseCoopers.

The PwC survey, which was conducted by doing interviews with representatives from 39 companies, found that although many companies knew about the issues underlying the move to international standards not all of those entities have all of the information they require to comply with the new rules.

The new standards are a part of Australia's move to adopt international accounting standards.

More than 90% of companies surveyed understand what it means to move to the new body of standards, but 75% of respondents do not have all of the information they require to meet all requirements.

Robert Baker, the PwC partner in charge of the IFRS project office, told The Age yesterday the survey showed evidence that companies had begun to think about what the move to new standards means to their internal systems, but they have not just gone far enough in the implementation process.

Mr Baker said the survey also found that 61% of respondents had internal resources to deal with it but only 15 % of companies believed they had adequate knowledge to cope with the changes.

"We are finding companies are generally aware of the issues and have taken the first step of analysing the impacts. It is now a question of people just taking the next step in the process before they run out of time," Mr Baker said.

"Another key issue facing companies with IFRS is how they will adapt IT systems to produce the information required. Just 24 per cent of companies surveyed have sourced their IFRS data and completed the assessment of their IT systems to ensure they are IFRS ready."

Mr Baker also said that the survey found many companies have not worked out the best way to communicate the impact of the new rules to shareholders and investments analysts.