



- **Is your organization satisfied with its plan to convert from US GAAP to International Financial Reporting Standards?**
- **Have all the risks associated with your IFRS conversion been identified?**
- **Are all critical stakeholders working to the same conversion program?**
- **Will your conversion program meet critical deadlines?**
- **Has your company established an appropriate budget for your conversion efforts?**
- **Will your IFRS conversion program meet its budget targets?**

NorthPoint's IFRS Risk Assessor (IRA) is designed to help you develop answers to three key questions:

- 1. What risks does my IFRS conversion program face?**
- 2. Which are the most critical risks to address?**
- 3. What must be done to mitigate those risks?**

While the exact deadline for US GAAP to IFRS conversion is not yet clear, companies are recognizing that effective IFRS conversion will go far beyond making required changes to accounting policies and procedures. Experience gained in other countries that have made the conversion to IFRS demonstrates that the move to IFRS is a major program of work. An IFRS conversion program will also require significant changes to an organization's:

- Business processes,
- Information systems,
- People's skills and training requirements and,
- Management and statutory reporting requirements.

IFRS Risk Assessor (IRA) software is the latest addition to NorthPoint's suite of Enterprise Risk Management software. IFRS Risk Assessor focuses directly on helping organizations identify, assess and manage the risks associated with US GAAP to IFRS conversion programs.

NorthPoint's IRA software and supporting process is based upon our 27 years of experience in helping companies identify and manage risks across their business. Our approach is designed to assess four components of a companies' IFRS conversion program including the:

1. IFRS conversion program plan
2. Organization's readiness to implement the IFRS conversion program
3. Implementation plan
4. Operational readiness

The IRA software and process requires extensive collaboration across an organization in order to develop an accurate identification and understanding of the state of the IFRS conversion program.

To ensure completeness, we have designed IRA with over 200 comprehensive, weighted statements which must be scored. To enable effective collaboration and speed, the scoring is completed during an intensive one day facilitated workshop in which executives within your organization gain consensus as to each statements score.

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The weighted statements scored during the workshop enables the IRA software to identify critical IFRS conversion program performance parameters including:

1. IFRS conversion program risks
2. Estimated budget performance based on current program course and speed
3. Estimated schedule performance based on current program course and speed
4. IFRS program management process performance
5. Comparison to “Best in Class” performance for similar scale business programs
6. Assessment of overall governance processes
7. Assessment and ranking of critical sources of IT and business risk

A 2008 Accenture study estimated the costs to convert from US GAAP to IFRS ranging from 0.1 to 0.7% of a companies' revenue¹. With this level of investment and the need to successfully complete the conversion on a timely basis, it is critical to take a careful look at what risks your IFRS conversion program will face.

NorthPoint's IRA can provide you and your client's with software and a process that is:

- Timely – assessments can completed in as little as a week,
- Comprehensive – all risk-related aspects of the IFRS conversion effort are evaluated,
- Unbiased – assessments based upon NorthPoint's proprietary math models and database of similar initiatives,
- Ownership – IRA's collaborative teaming approach results in the client team owning the results,
- Weight-ranked – assessment areas are weighted by impact, providing focus on what needs to get done to ensure program success

To learn more about how NorthPoint's tools can help identify and manage the risks associated with an IFRS conversion program, please contact Bill King at 248.515.1541 or via email at northpoint.bill@gmail.com .

¹ Source: December 2008 Accenture survey for US GAAP to IFRS conversion of 200 CFOs at US companies with a minimum of \$1 billion in annual revenues