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Adoption of International Public Sector Accounting Standards

Summary

In its resolution 60/1 of 16 September 2005, the General Assembly requested the Secretary-General to take a number of actions for strengthening the United Nations in the context of Secretariat and management reform. The General Assembly approved the adoption by the United Nations of the International Public Sector Accounting Standards (IPSAS) in its resolution 60/283 of 17 August 2006.

In its resolution 62/208 of 14 March 2008 on the Triennial Comprehensive Policy Review of Operational Activities for Development of the United Nations System, the General Assembly encouraged the continuing development of harmonized approaches such as the adoption of IPSAS.

The purpose of this document is to update the Executive Board on developments in IPSAS implementation by UNICEF. It proposes that UNICEF continue to report periodically to the Executive Board on progress towards IPSAS adoption.

I. Introduction

1. At the 2007 second regular session, UNICEF presented a report to the Executive Board, informing it of the intention of UNICEF to adopt IPSAS by 2010.
2. This document is a progress report on the implementation of IPSAS, informing the Executive Board of UNICEF actions in this regard. UNICEF will continue to

* This report is presented to the Executive Board for information only and will be discussed only if specifically requested by a member of the Board.



update the Executive Board on the status of IPSAS adoption by UNICEF through regular progress reports.

II. Governance

3. A key element of the United Nations system-wide IPSAS adoption strategy is the “two-level” approach, which involves providing resources at both the United Nations system-wide level and the individual organization level.

4. At the system-wide level, the United Nations Task Force on Accounting Standards, under the auspices of the High-Level Committee on Management and the Finance and Budget Network, provides the forum for United Nations system organizations to discuss and make recommendations on issues related to adopting IPSAS. Under the guidance of an inter-agency Steering Committee, adoption activities are coordinated and supported by the United Nations system-wide IPSAS Project Team.

5. UNICEF is represented on the Steering Committee, to which the system-wide IPSAS Project Team reports, and actively participates in the United Nations Task Force on Accounting Standards.

6. The project governance structure for the UNICEF IPSAS Implementation Project has been established. The project is overseen by a Project Board, comprising directors of headquarters divisions and field representatives and chaired by the Deputy Executive Director, who is the project’s executive sponsor. The IPSAS Project Board is shared with the One Enterprise Resource Planning (ERP) project.

7. The UNICEF IPSAS Implementation Project Team, comprising a project manager and two specialists, has been identified. The Project Team draws on experts and focal points within UNICEF to ensure that UNICEF has the capacity to make a successful transition to IPSAS.

III. Major outputs to date

United Nations system-wide IPSAS Project Team

8. A priority for the United Nations system-wide IPSAS Project Team has been the development of harmonized accounting policies and recommended accounting practices. In addition to a stable platform of accounting policies and recommended practices, which is now substantially complete, the team has prepared and delivered guidance and briefing notes on a range of issues specific to the United Nations system. In line with General Assembly resolution 62/208 on the Triennial Comprehensive Policy Review of Operational Activities for Development of the United Nations System, UNICEF fully supports a harmonized approach to IPSAS adoption.

9. An external consultant was engaged to inform the ongoing review by the system-wide IPSAS Project Team of whether the preparation of consolidated financial information is required by IPSAS for the United Nations. The preliminary conclusion is that the relationship between the United Nations system and the funds and programmes is not indicative of control and, as such, does not require

consolidation of financial information. Nevertheless, the preparation of IPSAS compliant financial statements by the United Nations system organisations ensures greater consistency of financial information and facilitates more meaningful aggregation of financial information.

10. Significant progress has been made with respect to system-wide procurement of training packages. Development of IPSAS training materials, which will be available for use by all United Nations system organizations, is underway.

UNICEF

11. At the first regular session of 2008, the Executive Board approved the biennial support budget for 2008-2009 (E/ICEF/2008/AB/L.1), which contained an initial estimate of the cost of IPSAS adoption for UNICEF.

12. UNICEF completed an analysis of its business model and current programmatic and operational practices and accounting treatments in order to compare them with the anticipated practices and treatments required by IPSAS. This fit/gap analysis provides an indication of the impact of IPSAS adoption for UNICEF, as well as the scope of policy, process and system configuration changes that will be required.

13. Based on the results of the fit/gap analysis, UNICEF finalized the detailed project plan for the implementation of IPSAS, using a standardized approach to managing projects. In developing the detailed plan, key deliverables were identified, tasks were organized into milestones and phases, and resources were identified. Detailed communication and training strategies are part of the project plan. UNICEF's goal is to be IPSAS compliant in 2010.

14. The UNICEF IPSAS Implementation and One ERP project teams are coordinating their activities, since changes will need to be made to the information systems of UNICEF in order to successfully implement IPSAS. Information technology solutions required by the IPSAS Implementation Project will be identified and included in the One ERP Project.

15. As part of the communication strategy, awareness-raising sessions have been held with internal stakeholder groups in New York headquarters, as well as in the country and regional offices. In addition, senior management of UNICEF has been informed of developments and progress to date, as have the external auditors and the audit committee.