United Nations System-wide IPSAS Adoption Progress

Briefing at World Food Programme
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IPSAS System-wide Project

This presentation provides:

- An overview of the System-wide IPSAS project
- System-wide IPSAS team progress to date
- Status of engagement with Auditors
- Update on Involvement with IPSASB
- UN System organizations' IPSAS Adoption progress
- System-wide IPSAS adoption challenges
- The IPSAS adoption road ahead

System-wide Project Overview

- High Level Committee on Management (HLCM) approval of Project in 2006

- System-wide Steering Committee

- System-wide Project Team

- System-wide policy/guidance adoption process in place

- On-going delivery of Policy and Guidance papers

Structure of the Project

- Two-level approach to IPSAS Adoption:

The System-wide Project:
- – Project Steering Committee
- – Develops policies/guidance to ensure consistency
- – Manages the policy/guidance adoption process
- – Addresses common implementation issues
- – Supports individual organizations

Individual Organizations:
- – Gain governing body approval
- – Establish internal project architecture
- – Request guidance of the system-wide Project Team
- – Participate in Focus Group discussion of policies
- – Implement policies/guidance adopted
- – Develop detailed procedures

IPSAS System-wide Project Progress

Accounting Policies & Guidance:

- Stable Platform of Policies – 51 Policy & Guidance papers

- Harmonize where possible

- Support for Early adopters

- Consolidation sub-project

- Training Project

- Continued engagement by system-wide organizations

Early Adopters

- 3 Early adopters – WFP, WHO, ICAO

- Adopt earlier than system-wide target date of 2010

- UNSAS and progressive adoption fall back option

- Highest priority in work plan support for early adopters

- Leveraging lessons' learned from early adopters

System-wide Consolidation Sub-Project

- Consulting firm engaged June 2007

- Determine United Nations system's organizations' relationships with related entities

- Determine reporting entity boundaries

- Develop guidance for system-wide use

System-wide IPSAS Training Project

+ Phase 1 Training needs assessment
    - Completed May 2007

+ Phase 2 Procurement of training packages
    - Contract awarded in April 2008

+ Phase 3 Delivery of training – 20 Courses
    - Establishment of Training Advisory Group in April 2008
    - Project Kick-Off meeting in May 2008
    - Pilot test of 3 initial courses November 2008
    - Majority of curriculum expected by mid-2009
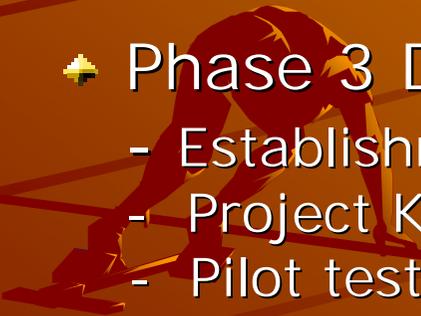
Engagement with Auditors

- Communication with auditors key

- Support from auditors is evident

- Bilateral discussions occurring

Involvement with International Public Sector Accounting Standards Board (IPSASB)

- 2 observer places at the board

- Full involvement in board discussions

- Topics of recent interest – IPSAS 4-Effects of Foreign Currency, IPSAS 5 Borrowing costs, convergence with IFRS, Conceptual framework etc

Organizations' IPSAS Progress

5 Critical Implementation Steps:

- Budget approved by Governing Body - 74%

- Appointment of Team:

  - Project manager - 83%
  - Full-time Project manager - 43%

  - Team members – 78%
  - Full-time Team members - 30%

- Detailed timetable & Project Plan - 65%

- Communication Plan - 52%

- Evaluation of information systems changes -78%

System-wide Challenges

- Move from modified accrual to full accrual
- Recognition of PP&E, Intangibles and Inventory
- Recognition of employee benefit liabilities
- Recognition of liabilities for conditional funding agreements
- Reconciliation of accrual financial statements with cash budgets
- Presentation of financial statements and level of note disclosures
- Financial Rules and Regulations must be updated
- ERP Systems and ability to support IPSAS
- Communication of IPSAS and changes involved
- System-wide training
- Limited Staff Resources

Summary: The Road Forward

- Steady IPSAS adoption progress continues at System-wide and individual organization levels

- Stable Platform of Accounting Policies is in place

- 78 % indicate 2010 achievable

- For many 5 critical steps incomplete

- 61% completed or planning risk assessment

- Involvement of System-wide Organizations & Auditors essential

- Early Adopters experience invaluable