United Nations System-wide IPSAS Adoption Progress

Briefing at World Food Programme
By Jayantilal Karia
Chair, Task Force on Accounting Standards
System-wide IPSAS Project
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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