

UNICEF

**International Public Sector Accounting Standards
(IPSAS) Project**

Implementation Plan

July 2009

I. Introduction

The adoption of IPSAS by UNICEF represents major organisational change.

This implementation plan outlines how the vision of management reform in the United Nations translates into the UNICEF IPSAS Project goals and objectives.

New and improved information will improve the quality of UNICEF financial reporting, thereby increasing the transparency of programmatic and operational management practices, facilitating timely and informed decision-making by managers who are accountable, thus improving governance. This will help to ensure that UNICEF continues to implement best management practices and makes efficient and effective use of financial and human resources.

In 2008, UNICEF completed a high-level assessment of the areas where the adoption of IPSAS would result in significant changes to the information reported on UNICEF. The high-level assessment was also used to inform the conceptual design of its single application ERP – VISION – as well as a policy framework that is currently being developed, which will be used for implementation planning and training of managers and staff. This framework will also be used to realize VISION, which will be rolled out, starting in 2011.

Change management activities, particularly communication, are critical to the successful adoption of IPSAS. A comprehensive communication plan has been developed, which segments stakeholders into groups, both internal and external to UNICEF, and identifies the objectives, content, delivery format, and timing of the messages and their intended results.

By early 2012, UNICEF will be operating in an IPSAS-compliant reporting environment.

II. Project title

- International Public Sector Accounting Standards (IPSAS) Project

III. Project start date

- 1 January 2008
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IV. Planned project end date

- 30 June 2013

As a result of the decision by UNICEF in April 2009 to defer the full adoption of IPSAS, the project end date has been modified from 30 June 2011 to 30 June 2013. This change was reported to the Executive Board at its annual session in June 2009.

In relation to the revised deadline for IPSAS adoption, the Executive Board requested the Executive Director to:

- Adopt IPSAS no later than 2012;
- Make the IPSAS implementation plan available on the UNICEF website;
- Update the Executive Board on a regular basis until 2013.

V. Funding source and budget

The IPSAS Project is funded as an investment project within the UNICEF support budget.

Funding for 2008–2009: \$6.0 million

The biennial support budget for 2008–2009, approved by the Executive Board (E/ICEF/2008/AB/L.1), included \$6.0 million for implementation of the IPSAS Project. The estimate was prepared prior to the completion of the preliminary gap analysis activities and therefore was based on initial internal assessments and consultations with other United Nations system organizations, including the 'early adopters'.

Funding for 2010–2011: \$4.8 million

The biennial support budget for 2010–2011 includes \$4.8 million as a continuation of the investment project, to cover policy development, implementation and change management activities, including communication and training. The budget has been approved by UNICEF executive leadership and submitted to the Executive Board for consideration and approval at its second regular session in September 2009.

Funding for 2012–2013

Following an assessment of activities required beyond 31 December 2011, additional funding requirements will be considered in preparation for the biennial support budget for 2012–2013.

VI. Background – Why is UNICEF adopting IPSAS?

United Nations General Assembly on reform

On 16 September 2005, the General Assembly requested the Secretary-General to strengthen the United Nations through Secretariat and management reform (resolution 60/1).

United Nations System Chief Executives Board for Coordination (CEB) High-Level Committee on Management (HLCM) recommendation

An in-depth review was conducted by the Task Force on Accounting Standards for the CEB HLCM, which recommended that the United Nations system adopt IPSAS to support the reform agenda. The HLCM accepted the recommendation, after endorsement by its Finance and Budget Network, on 30 November 2005 (CEB/2005/HLCM/R.25). In April 2006, the CEB endorsed the HLCM recommendation for the adoption of IPSAS throughout the United Nations system.

Secretary-General proposal

In Addendum 3 his report *Investing in the United Nations for a stronger Organisation worldwide: detailed report (A/60/846/Add.3)* of 12 May 2006, the Secretary-General proposed that the United Nations adopt IPSAS for its financial statements as part of a United Nations system-wide adoption of IPSAS by 2010.

General Assembly resolution

The General Assembly, in its resolution 60/283 of 17 August 2006, decided to approve the adoption by the United Nations of the International Public Sector Accounting Standards.

ACABQ and United Nations Board of Auditors recommendations

The Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the United Nations Board of Auditors also support the adoption of IPSAS.

Benefits of IPSAS adoption

The adoption of IPSAS will improve the quality of UNICEF financial reporting by requiring new or improved information across a range of areas, thereby increasing the transparency of programmatic and operational management practices. This additional information will enhance governance and accountability. In turn, this will assist in ensuring that UNICEF attains and remains current with best management practices and in supporting more efficient and effective use of financial and human resources.

VII. Strategy overview

The strategy for IPSAS adoption by UNICEF translates the vision of management reform within the United Nations into a mission statement, goals and objectives. The UNICEF IPSAS Project addresses all of the goals and objectives – and aims to move UNICEF towards improved transparency, accountability and governance.

VIII. Mission statement

- Enhance the quality of UNICEF financial reporting, enabling improved transparency, accountability and governance, through adoption of IPSAS
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IX. Goals and objectives

The IPSAS Project aims to support:

1. The preparation of IPSAS-compliant UNICEF organizational financial statements and note disclosures for the year ended 31 December 2012 by
 - a. Using information from the new ERP system (VISION), which is being developed to be IPSAS-compliant and will be introduced globally by December 2011;
 - b. Introducing changes earlier where possible; and
 - c. Using options allowable under IPSAS to extend the timeline for specific topics, where needed;
 2. An analysis of the impact of IPSAS adoption on official donor reports, to enable business process owners to decide on any necessary changes and to ensure that changes made to the donor reporting format are reconcilable with the UNICEF organizational financial statements;
 3. An analysis of the impact of IPSAS adoption on internal and external UNICEF reports other than the UNICEF organizational financial statements (including key performance indicators), to enable business process owners to decide on any necessary changes to these reports (Executive Director's annual report, donor league tables).
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X. Interdependencies with other UNICEF initiatives

The IPSAS and VISION projects are highly interdependent, as the ERP system will be used to generate IPSAS-compliant information to produce UNICEF organizational financial statements. As such, the two projects share a Project Board and a Field Reference Group.

XI. Project governance

Membership of the Project Board comprises UNICEF business process owners and field representatives. The Board is chaired by the Deputy Executive Director, Management.

XII. Organizational implementation team

The organizational Implementation Team comprises the core IPSAS Team, divisional coordinators and IPSAS focal points.

The core IPSAS Team is responsible for project management, policy development and support to implementation and change management activities, including communications and training.

The IPSAS Team is supported by divisional coordinators, established for the VISION Project, bringing to the attention of business process owners specific policy and implementation issues on which decisions are needed.

IPSAS focal points have been established in key divisions where significant policy development, implementation and change management activities are required.

XIII. High level project approach

