Update on the Implementation of IPSAS

February, 2012
Recap

• IPSAS –
  o Internationally recognised accounting standards, established by an independent body, specifically for the public sector
  o Require financial statements to be more relevant and timely

• Decisions –
  o General Assembly, A/60/846/Add.3: ‘transparent financial reporting, strong accountability, and good governance’
  o UNICEF Executive Board, 2009/7: (adopt) IPSAS no later than 2012 and (submit) IPSAS-compliant financial statements at the second regular session 2013

• Previous progress reports –
Approach to implementation

- **2009**: PLANNING
- **2010**: DIAGNOSTIC
- **2011**: DECISIONS
- **2012**: COMPLIANCE

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Policy development:

*Status – completed*

- **February 2010**, framework of policy positions and supplements completed
- **2010-11**, policy consultation with external auditors
- **September 2011**, UNICEF Financial Regulations, revised for IPSAS compliance, approved by the Executive Board
- **January 2012**, Regulatory Framework, comprising new and revised financial management and reporting policy, became effective
Update on implementation

Change management:

Status – substantially completed, focus on opening balances

• Q1/2010, detailed plans for 16 key topics completed
  – Identification of requirements for
    • Operational policy, procedure and guidance
    • System and business process
    • Data preparation activities
    • Reporting
  – Integration into strategy of other organisational initiatives

• 2011 – data collection, cleansing and migration

• Q1/2012 - establishment of opening balances

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System development: 

*Status – completed*

- VISION – ‘fit for purpose’ ERP system launched on 1 January 2012

- Following:
  - **July 2009**, approval of ‘blueprint’
  - **August 2010**, completion of major system development activities
  - **November 2010**, development of ‘business process procedures’
  - **August 2011**, completion of unit, integration and user acceptance testing
  - **Q3/2011**, implementation of global training programme

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Report preparation: 

*Status – In progress*

- Proforma financial statements –
  - Under development since early 2009
  - Shared with external auditors (July 2011) and Audit Advisory Committee (October 2011)

- Preparation of interim financial statements

- Coordination / collaboration on audit and oversight activities

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It’s not just numbers...

Investment in IPSAS represents:

• process of change
• investment in the improvement of programmatic and operational management practices throughout UNICEF

Benefits to UNICEF are:

• most immediate - the preparation of IPSAS-compliant financial statements
• longer term -
  o information to inform the strategic planning process for programmes
  o more efficient and effective use of voluntarily contributed resources

UNICEF’s intent:

• strategise to secure benefits through use of new & improved information on programme supplies, premises, employee liabilities
• establish management arrangements to achieve benefits, including accountability

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