

# Update on the Implementation of IPSAS

February, 2012

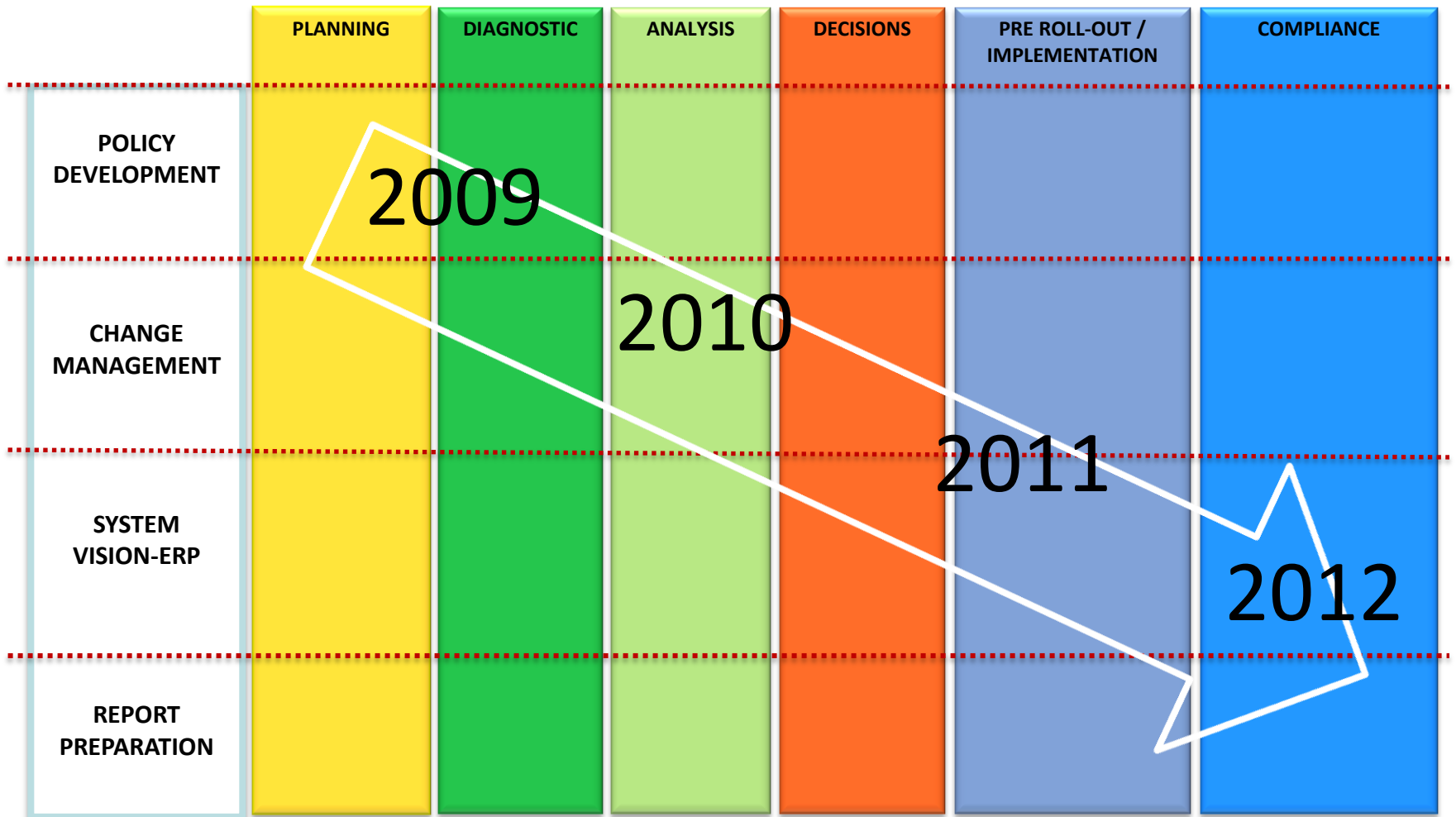
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# Recap

- IPSAS –
  - Internationally recognised accounting standards, established by an independent body, specifically for the public sector
  - Require financial statements to be more relevant and timely
- Decisions –
  - **General Assembly, A/60/846/Add.3:** ‘transparent financial reporting, strong accountability, and good governance’
  - **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 –
  - Formal sessions - 2007, 2008, 2010, 2012, informal sessions - 2009

# Approach to implementation



# Update on implementation

## 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

# Update on implementation

## 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

# Update on implementation

## 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

# 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 -
  - information to inform the strategic planning process for programmes
  - 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