



Statement on behalf of the Member States of the European Union

By

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Delegation of the European Union to the United Nations

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- Check against delivery -

Thank you, Mr. Chairman,

I have the honour to speak on behalf of the Member States of the European Union.

The Candidate Countries Turkey, the former Yugoslav Republic of Macedonia*, Montenegro*, Iceland† and Serbia*, the countries of the Stabilisation and Association Process and potential candidates Albania and Bosnia and Herzegovina, as well as Ukraine, Armenia, and Georgia, align themselves with this statement.

Mr Chairman,

At the outset, I would like to thank Ms María Eugenia Casar for introducing the Sixth Progress Report on the adoption of the International Public Sector Accounting Standards by the United Nations. I would also like to thank the Director of External Audit and member of the Audit Operations Committee of the Board of Auditors, Mr Hugh O'Farrell, for introducing the Third progress report of the Board of Auditors on the implementation of the International Public Sector Accounting Standards. Our thanks also go to the Chair of the Advisory Committee on Administrative and Budgetary Questions, Mr Carlos Ruiz Massieu, for introducing the reports of the ACABQ on the International Public Sector Accounting Standards.

Mr Chairman,

The Member States of the European Union welcome the progress that has been made in implementing the International Public Sector Accounting Standards. As of this moment, 21 of 24 organisations within the United Nations system have completed their migration to IPSAS and received unqualified audit opinions on their 2012 IPSAS-compliant financial statements. For the remaining 3 organisations, the Food and Agriculture Organisation of the UN, the UN Secretariat and the World Tourism Organisation, implementation is on schedule. IPSAS implementation has recently started in peacekeeping operations as planned. The project is on target for delivering the first IPSAS-compliant financial statements by 30 September 2014 for peacekeeping operations and by 31 March 2015 for all other UN operations. Significant work has been undertaken for the preparation of the opening balances for all offices, with greater urgency for peacekeeping organisations, an issue of concern to EUMS in the past. We take note of this development with appreciation.

* The former Yugoslav Republic of Macedonia, Montenegro and Serbia continue to be part of the Stabilisation and Association Process.

† Iceland continues to be a member of EFTA and the European Economic Area.

At the same time, IPSAS implementation is not a goal in itself. Its implementation should lead to new and more accurate financial information. The challenge is now for entities to use the financial information under IPSAS as a platform for improved accountability, transparency, control and financial sustainability, as well as more cost-effective decision-making and delivery of vital services. This is all the more important given the fiscal and economic constraints and increased financial risks facing UN entities.

All in all, the Administration has made good progress. IPSAS implementation is becoming 'business as usual' and part and parcel of daily activities of many UN staff members. At the same time, the Secretariat needs to be more proactive in reducing possible risks. We agree with the ACABQ recommendations that (1) the absence of a common system and format for recording of financial data and (2) the risk associated with the ability of temporary adaptations to existing systems actually to deliver accurate data for IPSAS-compliant financial statements, pose a risk to the Organisation. We urge the Secretary-General to ensure that accurate opening balances for assets and liabilities are established.

Mr Chairman,

The member States of the European Union agree with the Board of Auditors that all entities implementing IPSAS in the UN system have to finalise or prepare a comprehensive and practical benefits realisation plan by the end of this year in order to improve management in all relevant areas. We furthermore agree with the ACABQ that managers are crucial in leading the effort not only to implement IPSAS but also to deliver its intended benefits. It will be helpful in this regard to draw lessons from other organisations which have already implemented IPSAS and to continue to identify further potential benefits. In terms of lessons learned, we recognise that the creation of an independent project assurance function has strengthened the governance of the IPSAS project and we welcome the ACABQ's recommendation that this be replicated for other major UN projects.

We would like to stress here again that IPSAS implementation should take place within existing resources at HQ and field offices. We take note of the increased support by HQ to implementation teams at field level, and we concur with the ACABQ's finding that serious efforts should be made to contain project costs and to absorb additional costs within approved resources.

Thank you, Mr Chairman.