

**Statement of the Chairman  
Advisory Committee on Administrative and Budgetary Questions  
11 October 2013**

**Sixth progress report on the adoption of  
International Public Sector Accounting Standards (IPSAS) by the United Nations  
and report of the Board of Auditors on IPSAS**

*(ACABQ report: A/68/508 & related reports: A/68/351; A/68/161)*

Mr. Chairman,

The Secretary-General's report (A/68/351) covers progress in the implementation of IPSAS throughout the United Nations system from 1 September 2012 to 31 August 2013.

The Advisory Committee welcomes the achievement during the reporting period which saw 10 United Nations system organizations issue their first IPSAS compliant financial statements all of which received unqualified audit opinions from the Board of Auditors. The Committee encourages continued collaboration among the organizations in order to address their respective challenges.

Coming to the United Nations Secretariat, the Advisory Committee notes that, during the reporting period, IPSAS accounting for peacekeeping operations was successfully launched and that progress towards the implementation of IPSAS for all non-peacekeeping operations effective 1 January 2014 remains on track. The Advisory Committee welcomes this progress and also the measures taken to strengthen the governance of the IPSAS project by reconstituting its Steering Committee and creating an independent Project Assurance function to provide an impartial assessment of its health.

The Committee takes note of the progress reported with regard to the transitional arrangements to address the delay in the implementation of Umoja. In concurrence with the Board of Auditors, however, the Committee remains concerned about the risk associated with the use of multiple systems to deliver accurate and consistent data for IPSAS compliant financial statements.

Coming to the accounting policy for inventory, the Advisory Committee takes note of the ongoing discussions between the IPSAS project team and the Board of Auditors and trusts that this engagement will result in a policy that enhances the efficient management of the Organization's inventory.

The Advisory Committee underscores the importance of preparing accurate opening balances for assets and liabilities and concurs with the Board of Auditors that the testing and validation of the underlying financial data should be undertaken within the agreed period and that opening balances should be submitted to the Board for its review within the agreed deadlines.

Regarding the realization of benefits, the Advisory Committee recommends that the General Assembly request the IPSAS project team to identify further benefits in addition to those already stated by the Secretary-General and stresses the responsibility of managers to lead the effort to deliver these benefits. The Committee also reiterates that serious efforts should be made to contain the IPSAS project costs.

I thank you, Mr. Chairman.