

Introductory Statement to the FIFTH COMMITTEE

Ninth progress report on the adoption of International Public Sector Accounting Standards by the United Nations:

Report of the Secretary-General (A/71/226)

14 October 2016

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Director**

Mr. Chairman,

Distinguished Delegates,

1. I have the honour to introduce the ninth progress report of the Secretary-General on the adoption of IPSAS at the United Nations.
2. The present report focuses on IPSAS sustainability, addresses the strengthening of internal controls, IPSAS benefits realization and the strengthening of Umoja as the backbone for IPSAS-compliant accounting and reporting. The report also introduces the plan to institutionalize the United Nations IPSAS Project by 31 December 2017.
3. At the United Nations, all the financial statements for 2014 and the 2015 financial statements received unqualified audit opinions.
4. Mr. Chairman, at the UN system-wide level, the report discusses the efforts to achieve increased harmonization of IPSAS-compliant accounting and reporting across United Nations system organizations, as well as collaboration platforms and tools to share information and best practices.
5. The Management Committee in July 2015 endorsed a five-pillar plan to support IPSAS sustainability, aimed to ensure that IPSAS-compliance can be maintained, and to support the use of IPSAS- triggered information to better manage the Organization. Progress has been made to introduce a Statement on Internal Control, the ongoing update of the IPSAS Policy Framework, the preparation of Corporate Guidance and the Finance Manual, the management of IPSAS benefits and the deployment of Umoja to support asset accounting in field missions. The IPSAS team is driving the implementation of the sustainability plan and the residual functions of the team will be institutionalized by the end of 2017.

6. Mr. Chairman, these achievements are the result of the continued strong oversight, management of risks and review of progress by the IPSAS Steering Committee. The Management Committee continued to provide strategic direction and commitment to management reform. The Independent Audit Advisory Committee (IAAC) will continue to assist the General Assembly in fulfilling its oversight responsibilities on IPSAS related issues to the end of the project lifecycle.
7. The IPSAS team as a separate organizational unit will be decommissioned on 31 December 2017. However, as pointed out in the Secretary-General's seventh progress report on IPSAS, A/69/367, it has been recognized that, beyond the post implementation phase of the IPSAS project, there will remain a need to maintain a supporting structure within the Organization that will lead the long-term sustainability of IPSAS compliance. To this end, a review has been undertaken to identify the residual functions of the IPSAS team that should be institutionalized to support continued IPSAS compliance, including the streamlining of IPSAS-compliant processes into the day to day operations of the Organization. It is proposed that a supporting structure to drive continued IPSAS compliance be established in the Office of Programme Planning Budget and Accounts. The workload would be staffed from currently approved resources, 3 regular budget posts currently assigned to the IPSAS project and 4 posts deployed from the Financial Reporting Service of the Accounts Division.
8. The IPSAS implementation project indicative budget is \$27 million, prior to the detailed planning of the sustainability activities. The expenditure to 30 June 2016 is \$24 million. An additional \$2.5 million has been approved under the 2016/2017 support account, in combination with the already approved \$1.24 million regular budget resources for the 2016-2017 period.
9. Mr. Chairman, distinguished delegates, I am here with my IPSAS team to respond to the Committee's questions and look forward to a fruitful interaction.
10. Thank you.