



IPSAS
Benefits the UN



A message from the Under-Secretary-General for Management



I am pleased that the United Nations has successfully implemented the International Public Sector Accounting Standards (IPSAS) including in peacekeeping operations.

It is important to underline that IPSAS is not just a technical endeavour of changing accounting and reporting policies, but it is a major transformational process for the Organization. This brochure highlights the importance of this achievement and milestone as well as the road ahead for the United Nations in terms of making related benefits realization a reality.

IPSAS unveils financial information and enhances transparency and accountability. It will facilitate and enable evaluation of efficiency and effectiveness of mandate delivery by the Organization.

Successful IPSAS implementation and related benefits realization will contribute to our drive to excel as an efficient and truly global United Nations.

Yukio Takasu, Under-Secretary-General for Management
November 2015

A message from the Assistant Secretary-General, Controller



IPSAS has finally become a cornerstone of the UN financial structure. This is a major achievement given the global footprint of our Organization and the complexity of operations.

The International Public Sector Accounting Standards are independently developed standards written specifically for the public sector. They introduce full accrual accounting to the UN's worldwide operations, and thus vastly increase both, content and availability of financial information which will be the foundation for better management.

It has also become clear that the changes IPSAS bring have required our Organization to adapt its business processes in order to generate the information and data required for IPSAS compliance.

It will also require longer-term sustainability efforts and a rethinking and repositioning of the role of the finance function in the Organization.

These changes will not happen by themselves. While the enhancement of accounting standards is a benefit in itself, the commitment by managers and the contribution and role of each staff member will be crucial for benefits realization.

This brochure is intended to support our efforts to demonstrate tangible benefits of IPSAS implementation and prove that the investment and efforts that went into it were worthwhile.

Bettina Tucci Bartsiotas, Assistant Secretary-General, Controller
November 2015

Main goals of IPSAS implementation

The IPSAS implementation project was introduced in 2006 with the following goals:

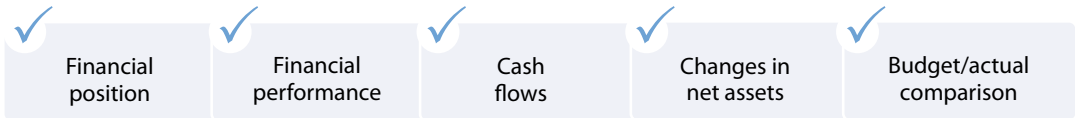
Vital component of the UN's drive to excel as a modern progressive Organization that attains and remains up-to-date with best management practices.	Support more efficient use of financial and human resources available to the Organization.	Financial policies, regulations and rules better respond to the current needs of the Organization.	Support efficient and effective conduct of work.	Improve the quality of United Nations system financial reporting resulting in benefits for governance, accountability and transparency.
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(para. 8 A/60/846/Add.3)

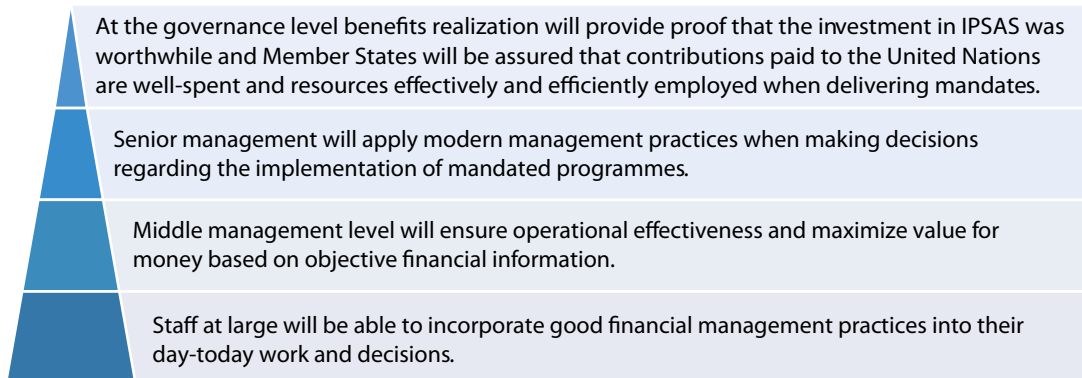
Why IPSAS?

IPSAS were developed by an independent international specialized accounting body and are considered international best practice for public sector financial accounting and reporting.

IPSAS require, inter alia, presentation of all assets and liabilities as well as all revenues and expenses. They ensure that public sector entities and their stakeholders have complete information on:



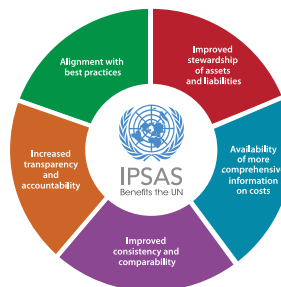
Why is benefits realization important?



The benefits realization plan

Each enhancement of accounting and financial reporting is a benefit in itself for the Organization.

In addition and in order to ensure a more conscious delivery of benefits, the UN Secretariat developed an IPSAS benefits realization plan, which describes in detail the envisaged benefits, divided into the following five main categories.



Alignment with best practices (Category A)

Compliance with IPSAS, confirmed by a clean audit opinion, will lend increased credibility and reliability to financial information as well as increased donor confidence in the United Nations. The UN Secretariat will track changes to IPSAS to amend its accounting and financial policies accordingly to stay up-to-date and in compliance with IPSAS.

Improved stewardship of assets and liabilities (Category B)

Full recognition of assets and liabilities is one of the main requirements of IPSAS. Availability of more and detailed financial information opens a window of possibilities for maximizing efficiencies and optimizing resource utilization.

Availability of more comprehensive information on costs (Category C)

More transparent and accurate information on costs will improve financial processes and decision-making. Senior management will have a better understanding of the financial health of the Organization and trends in costs of different activities. As a result, budgets will be prepared with more precision as comprehensive information on the costs of service delivery becomes available.

Improved consistency and comparability (Category D)

Better comparability between UN system organizations should lead to UN system-wide initiatives in financial management in order to enhance effectiveness and efficiency of mandate delivery by the UN-system.

The consistent application of IPSAS over time in the UN will also support longer-term financial risk management as financial trends will highlight possible risk areas requiring appropriate management actions.

Increased transparency and accountability (Category E)

Annual presentation of financial statements and the enhanced ability of the UN Secretariat to provide more detailed and comprehensive financial information will significantly increase the awareness of Member States of the Organization's financial position and performance. Transparency and accountability will also improve as financial consequences of managerial decisions will become more visible.

To keep in mind



Successful benefits realization requires a cultural shift and a reaction by management in terms of using IPSAS information for decision-making.



Benefits will materialize at different stages and evolve over time.



Benefits envisaged will be fully realized only after full deployment of Umoja.



IPSAS benefits one by one

Within the five benefits categories the following individual benefits are envisaged to be realized:

A Alignment with best practices

A1 - Compliance with independently developed, high-quality international public sector accounting standards

B Improved stewardship of assets and liabilities

B1 - More focused resource utilization

B2 - Improved visibility for capital expenditures

B3 - Improved management of long-outstanding contributions

B4 - Closing the funding gap for employee liabilities, in particular for After-Service Health Insurance (ASHI) related to extra-budgetary resources

B5 - Improved property and inventory management

B6 - Better revenue management related to extra-budgetary contributions

B7 - Better management of provisions

C Availability of more comprehensive information on costs

C1 - Improved financial decision-making

C2 - Improved financial management

C3 - Improved cost recovery

D Improved consistency and comparability

D1 - Increased number of UN system-wide financial initiatives

D2 - Improved longer-term financial risk management

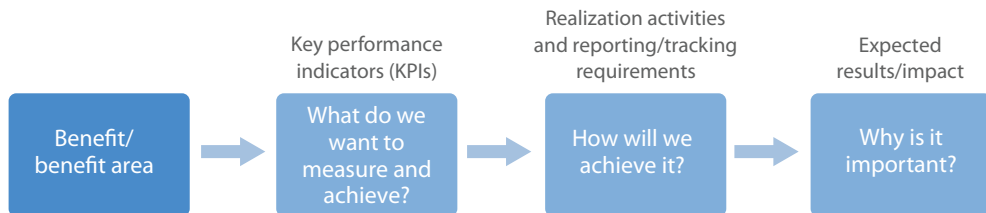
E Increased transparency and accountability

E1 - More comprehensive and frequent availability and use of financial information

E2 - Better assignment and enforcement of accountability for financial performance

How is each benefit built?

The realization of each benefit is built around the following questions and associated key performance indicators (KPIs):



How to make IPSAS benefits realization a success?

Successful IPSAS benefits delivery will be contingent upon efforts in the following areas:



To make IPSAS benefits realization and delivery a success, management commitment and ownership, effective communication, risk-management, training, as well as deployment of a tracking/ reporting mechanism will be essential. These areas are equally important and will be addressed simultaneously to best support benefits realization.

Tracking of benefit realization will provide proof of benefits delivery with the focus being on measuring progress against approved KPIs contained in the benefits realization plan, with options to include additional benefits and quantification, where possible.

Management commitment and ownership

The crucial role of managers cannot be overemphasized and will be very important during the whole process of benefits realization. The Management Committee as the highest internal strategic management body of the United Nations Secretariat has endorsed the IPSAS benefits realization plan and related organization-wide responsibilities and stakeholders for benefits realization.

At the same time, support tools will be developed to assist managers in their efforts towards benefit realization such as a tracking/reporting mechanism, training, and communication/information material.

Successful benefits realization is everybody's task

IPSAS benefits realization is not only about management activities, a dedicated IPSAS project team and implementation plans. Also, it is not just about finance or the finance area but has more far-reaching implications. Therefore, the organization-wide collaboration of different groups of UN stakeholders is crucial to make these efforts successful.

Support from each UN staff member is vital to IPSAS sustainability and benefits realization. Your support is key!

YOUR ROLE

The following are actions which should be taken by UN staff members to support IPSAS benefits realization:

Inform yourself	Be proactive and report	Inform others	Stay tuned	Get involved
Understand how IPSAS impacts your area of responsibility and which benefits will be most relevant for you. Take trainings offered.	If you notice improvements in the management of your areas and see benefits based on IPSAS materialising, track and report them.	IPSAS benefits realization will affect many parts of the organization. Communicate change and benefits to others.	Keep your eyes open for further information on IPSAS and benefits realization. Ask questions. Your opinion is important.	When the changes impact your area of responsibility, be ready to get involved for the good of the organization.

