

United Nations

Corporate Guidance

for

**International Public Sector Accounting
Standards**

Segment Reporting

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Final Version



Content table

1	Introduction	4
2	Definitions.....	5
3	Identification of reportable segments	6
3.1	Segment and types of segments	6
3.2	Volume I.....	9
3.2.1	Thematic pillars explained in brief	10
3.2.1.1	Political and Peacekeeping Affairs	12
3.2.1.2	International law and justice	13
3.2.1.3	Cooperation and Development	14
3.2.1.4	Human Rights and Humanitarian Affairs	16
3.2.1.5	Public Information and Communication.....	17
3.2.1.6	Environmental Affairs	17
3.2.1.7	Security and Safety	18
3.2.1.8	Crime Prevention	19
3.2.1.9	Common support services	19
3.2.1.10	Others	19
3.3	Volume II.....	20
3.4	United Nations secretariat reporting entities other than Volume I and II.....	20
3.4.1	International Trade Centre.....	21
3.4.2	United Nations Compensation Commission	22
3.4.3	United Nations Environment Programme	23
3.4.4	United Nations Human Settlements Programme	24
3.4.5	United Nations Institute for Training and Research	25
3.4.6	United Nations Office on Drugs and Crime	26
3.4.7	Tribunals.....	27
3.4.7.1	International Criminal Tribunal for Rwanda	27

3.4.7.2	International Tribunal for the Former Yugoslavia	27
3.4.7.3	International Residual Mechanism for Criminal Tribunals	28
4	Segment disclosure requirements	29
4.1	Segment disclosures in United Nations financial statements	29
4.1.1	Segment revenue and segment expenses	29
4.1.2	Segment assets and segment liabilities	30
4.1.3	Other disclosure considerations	32
4.2	Sample segment disclosure for Volume I	34
5	Appendices – Case study	35
5.1	Volume I - Mapping of UNSAS funds to IPSAS segment	35
5.1.1	General Fund Statement of appropriation	36
5.1.2	General and technical cooperation trust funds	39
5.1.2.1	General Trust funds	39
5.1.2.2	Technical Cooperation activities	41
5.1.3	Other funds	41
5.1.3.1	Tax Equalization fund	41
5.1.3.2	Capital Master plan	41
5.1.3.3	Capital Asset and construction in progress	42
5.1.3.4	End of service and post-retirement benefits	42
5.1.3.5	Other special funds	43

1 INTRODUCTION

Segment reporting **disclosures** can be seen as the analysis of the financial information of an entity between different activities. It is primarily intended to provide users of the financial information a better view of the performance of different activities of the entity and enhance the transparency of financial reporting. Segment reporting requirements are **applicable to all the United Nations Secretariat reporting entities**. The goal of this document is to present relevant guidance on the identification of segments and segment disclosure requirements at the United Nations.

Segment reporting disclosures are addressed by IPSAS 18: *Segment Reporting* which primarily provides guidance on the identification of segments (section 3) and segment disclosure requirements (section 4).

Key aspect in the identification of segments is that IPSAS guidance is principle based which means that the application will require management judgment based on facts and circumstances of each entity. Since there is no set rule on segment identification, an entity may prepare segment information which may be different from the other United Nations Secretariat reporting entities. **Section 3 of this document includes the tentative analysis on identification of segments for selected reporting United Nations Secretariat reporting entities** which was reflected in the financial statements for the year ended 31 December 2014.

Another key aspect in applying segment reporting disclosures is that the underlying data should be available to generate the necessary reports for segment reporting disclosures as explained in section 4. Needless to say, that the financial reporting systems should support the drafting of segment disclosures.

2 DEFINITIONS

A **segment** is a distinguishable activity or group of activities of an entity for which it is appropriate to separately report financial information for the purpose of (a) evaluating the entity's past performance in achieving its objectives, and (b) making decisions about the future allocation of resources.

Segment revenue is revenue reported in the entity's statement of financial performance that is directly attributable to a segment, and the relevant portion of entity revenue that can be allocated on a reasonable basis to a segment, whether from budget appropriations or similar, grants, transfers, fines, fees, or sales to external customers or from transactions with other segments of the same entity.

Segment expense is an expense resulting from the operating activities of a segment that is directly attributable to the segment, and the relevant portion of an expense that can be allocated on a reasonable basis to the segment, including expenses relating to the provision of goods and services to external parties and expenses relating to transactions with other segments of the same entity.

Segment assets are those operating assets that are employed by a segment in its operating activities, and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Segment liabilities are those operating liabilities that result from the operating activities of a segment, and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Segment accounting policies are the accounting policies adopted for preparing and presenting the financial statements of the consolidated group or entity as well as those accounting policies that relate specifically to segment reporting.

3 IDENTIFICATION OF REPORTABLE SEGMENTS

3.1 Segment and types of segments

A segment is a **distinguishable activity** or **group of activities** of each United Nations reporting entity (9 reporting entities) for which it is appropriate to separately report financial information for the purpose of (a) evaluating the United Nations past performance in achieving its objectives, and (b) making decisions about the future allocation of resources.

Some of the **sources for identifying key activities** of an entity can be derived from answering the following questions:

- What is the mandate for setting up the entity?
- What are specific activities mentioned in approved budget documents of the entity?
- What is the governance structure of the entity?
- Is the past performance evaluated based on certain activities carried out by the entity?

Grouping of activities requires exercise of judgment based on the following guiding principles:

- The objective of reporting financial information by segment i.e. help user to understand past performance, identify resources allocated to support major activities, enhance the transparency of financial reporting and enable the entity to better discharge its accountability obligations;
- The expectations of users of financial statements regarding the key activities of the entity;
- The qualitative characteristics of financial reporting i.e. the relevance, reliability, and comparability over time of financial information; and
- Whether a particular segment structure reflects the basis on which the governing body and senior manager require financial information to evaluate past performance in achieving objectives and make future resource allocation decisions.

The segments identified based on **distinguishable activity** or **group of activities** can be based on service or geography:

- A **service segment** is a distinguishable component of an entity that is engaged in providing related outputs or achieving particular operating objectives consistent with the overall mission of the entity.
- A **geographical segment** is a distinguishable component of an entity that is engaged in providing outputs or achieving particular operating objectives within a particular geographical area.

The assessment carried out to identify activities or group of activities should be used to determine whether segments will be based on service or geography.

Note: The operating objectives at the United Nations are structured along the mandate and programmes as directed by the General Assembly, accordingly the current thinking as per policy framework is that segments will be presented along the **lines of services** for all the United Nations Secretariat reporting entities.

Fund accounting vis-à-vis segment reporting:

Typically a fund is a self-balancing accounting entity established to account for the transactions of a specified purpose or objective. Funds are segregated for the purpose of conducting specific activities or attaining certain objectives in accordance with special regulations, general assembly resolutions, restrictions or limitations based on donor agreements.

Example – Hypothetical funds and programmes at an entity

Background:

The Agency's three groups of funds are described below. The funds are established on the basis of resolutions passed by the General Conference and are administered in accordance with the Financial Regulations adopted by the Board of Directors, and Financial Rules issued by the Director General.

- Fund Group I (Regular Budget Fund) is the principal means of financing agency activities and enables the agency to meet obligations arising from authorized appropriations. The Regular Budget Fund is based on an annual regular budget approved by the General Conference and financed from assessed contributions.
- Fund Group II (Technical Cooperation Fund) is the main financing mechanism for the Agency's technical cooperation activities by Member States. Fund Group II is financed primarily from voluntary contributions where Member States pledge contributions against their indicative share of the allocation, along with national participation costs and miscellaneous income.
- Fund Group III (Extrabudgetary Programme Fund) is a financing mechanism to enable donor countries and international organizations to make voluntary contributions for activities in support of programmes. They are available for these programmes until they are actually used in consultation with the donor concerned.

The agency's four major programmes form the structure for regular budget appropriations. The four major programmes comprise:

- Wind Science - Major Programme 1 provides core scientific and technical support to Member States in the field of wind science technologies. It builds capacity for energy system analysis and planning as well as for infrastructure development for new power and research reactors.
- Wind Safety and Security - Major Programme 2 establishes and continuously improves agency safety standards and security guidance.
- Management of Technical Cooperation for Development - Major Programme 3 covers the management of the technical cooperation programme (TCP) funded from the Technical Cooperation Fund (TCF) and extrabudgetary contributions.
- Policy, Management and Administration Services - Major Programme 4 comprises policy, management and administration functions. Firstly, it includes the necessary support (legal, financial, human resources, conference and document services, procurement and general services) to the implementation and delivery of the agency's programmes. Secondly, it includes the leadership under the Director General to provide the coordination necessary to maintain a one-house approach, and finally, it covers the internal audit, investigation, and the management of information between the Secretariat and Member States, the media and the general public.

Analysis:

Agency activities across four major programmes (activities) are financed through three Fund Groups. Each Fund Group has differing parameters around how the revenue can be used. Accordingly segment reporting information for IPSAS financial statements should be provided on the basis of **the agency's activities based on the major programmes** and not on the basis of the funding. The agency may additionally decide to separately provide information based on source of funding (Fund Groups) basis if deemed necessary for the users of the financial statements.

Example – Can fund accounting correspond to segment reporting?

In a situation where there are multiple funds and multiple activities (segments); a fund can cut across multiple activities or an activity can cut across multiple funds thereby creating a matrix.

Situation A:					
Activity / Fund	Fund 1	Fund II	Fund III	Fund IV	Fund V
Activity 1	Xx	Xx	-	-	Xx
Activity 2	-	-	-	Xx	-
Activity 3	-	-	Xx	-	-
<p>Since the fund always corresponds to only one activity and vice versa, segment reporting can be structured based on fund accounting. In above situation Fund I, II and V should be added together as Activity 1 segment and Fund III and Fund IV, represents Activity 3 segment and Activity 2 segment, respectively.</p>					
Situation B					
Activity / Fund	Fund 1	Fund II (Commons support services)			
Activity 1	Xx	Xx			
Activity 2	Xx	Xx			
<p>Since the fund corresponds to multiple activities, segment reporting cannot be structured based on fund accounting. In above situation:</p> <ul style="list-style-type: none">• Fund I should be allocated amongst Activity I segment and Activity II segment; and• Fund II which represents common support services should be presented as others.					

3.2 Volume I

The **first step** in determining segments at the United Nations Secretariat entities is identification of distinguishable activities.

The General Assembly occupies a central position as the chief deliberative, policymaking and representative organ of the United Nations. The General Assembly adopts mandates (resolutions and decisions) which are implemented by Member States, the Secretariat and the wider United Nations system; accordingly the IPSAS team in consultation with BoA has determined that programmes propounded by General Assembly in proposed strategic framework represent distinguishable activities at the United Nations.

The **second step** is determining the activities that should be grouped as separate segments and reported in the financial statements for accountability and decision-making purposes.

The BoA concurred to the judgment made by IPSAS team with regards to grouping of activities at the United Nations Secretariat based on thematic pillars. Reasoning for thematic pillars approach and segment presentation is as follows:

- The manner in which activities are evaluated by the governing body and senior management of the United Nations, identified based on review of General fund's statement of appropriation and statement of income and expenditure of General Trust funds from UNSAS financial statements of Volume I, which represents substantial portion of Volume I's expenditure.
- Grouping of programmes into thematic pillars represents pragmatic numbers of segments to be presented in the IPSAS compliant financial statements.
- Disclosures of financial performance by thematic pillars allows the user of the financial statements to assess the manner in which the United Nations entities have allocated resources to major activities and enhances transparency on utilization of resources.
- Common support services relating to centralized functions, including finance, human resources, information and communications technology and support services functions that support the United Nations' operations, projects and fund activities.
- General Assembly and Economic and Social Council affairs, conference management and internal oversight functions which support United Nations operations, projects and fund activities. These centralized functions do not only provide services to all thematic pillars but also other United Nations agencies and programmes. These were established as part of the social security scheme for United Nations staff and retirees and for the coverage of general third party liabilities. These activities represent a significant portion of the regular budget. To enhance transparency these activities will be disclosed as a separate column titled "Others" in segment reporting disclosures.
- Self-insurance and other insurance plans account for activities with respect to the various health, dental and life insurance plans and compensation for general liability of the United Nations. Volume I, as the principal of these arrangements, presents the income and expenditure related to these schemes in its Statement of financial performance and this is disclosed as a separate segment.

Accordingly, Volume I's segment reporting will have columns representing eight thematic pillars, common support services, self-insurance and other insurance plans and others in addition to eliminations and for any balance that cannot be allocated to the ten columns, unallocated.

3.2.1 THEMATIC PILLARS EXPLAINED IN BRIEF

Volume I segments its operations, projects and fund activities based on the following thematic pillars propounded by the United Nations charter and General Assembly resolutions:

- **Political and Peacekeeping Affairs:** Maintain international peace and security by providing assistance to resolve potentially violent disputes or conflict peacefully; supporting efforts in the areas of disarmament and non-proliferation; promoting the peaceful uses of outer space and support the maintenance of peace and security through the deployment of peacekeeping operations.

- **International law and justice:** Advice the principal and subsidiary organs of the United Nations and to promote among Member States a better understanding and respect of the principles and norms of international law.
- **Cooperation and Development:** Promote and support international and regional cooperation and development in the pursuit of sustained economic growth, the eradication of poverty and hunger, development of trade, gender equality and empowerment of women, and sustainable human settlements in an urbanizing world. Specific programmes are developed for Africa; Asia and the Pacific; Europe; Latin America and the Caribbean; developing countries; least developed countries; economies in transition; and western Asia.
- **Human Rights and Humanitarian Affairs:** Promote and protect the effective enjoyment by all of all human rights by making development equitable, sustainable and responsive to the needs of people and to ensure the timely, coherent and coordinated response of the international community to disasters and emergencies and ensure international protection to refugees including Palestine refugees.
- **Public Information and Communication:** Provide global communication about the ideals and work of the United Nations; interacts and partners with diverse audiences; and builds support for peace, development and human rights for all.
- **Environmental Affairs:** Contribute to the well-being of current and future generations and the attainment of global environmental goals. It is centered on transition to low-carbon, resource-efficient and equitable development based on the protection and sustainable use of ecosystem services, coherent and improved environmental governance and the reduction of environmental risks.
- **Security and Safety:** Provide leadership, operational support and oversight of the United Nations security management system.
- **Drug Control:** Work with Member States to enhance their efforts to combat the intertwined problems of drug use and trafficking by helping to create and strengthen legislative, judicial and health systems to safeguard some of the most vulnerable persons in society.
- **Crime Prevention:** Work with Member States to enhance their efforts to combat the intertwined problems of transnational crime, corruption and terrorism by helping to create and strengthen legislative, judicial and health systems to safeguard some of the most vulnerable persons in society.

Common support services are shown as a separate segment as is **self-insurance and other insurance plans**.

Other primarily consists of common support services, internal oversight function and General Assembly and Economic and Social Council affairs and conference management. Common support services includes functions of finance, human resources, information and communications technology, and support services that supports United Nations operations, projects and fund activities. Internal oversight function includes responsibilities of monitoring, internal audit, joint inspection and evaluation and investigation. General Assembly and Economic and Social Council affairs and conference management is used for effective and efficient decision-making processes of intergovernmental bodies and United Nations conferences.

Refer to section 3.2.1.1 to 3.2.1.10 for a brief overview of each thematic pillar, common support services and others.

3.2.1.1 Political and Peacekeeping Affairs

Purpose of this pillar is to maintain international peace and security by providing assistance to resolve potentially violent disputes or conflict peacefully; supporting efforts in the areas of disarmament and non-proliferation; promoting the peaceful uses of outer space and support the maintenance of peace and security through the deployment of peacekeeping operations.

Summary of activities carried out by this pillar:

- **Programme 2 - Political affairs:** The overall objective of the programme is to maintain international peace and security by assisting Member States and other international and regional organizations to resolve potentially violent disputes or conflict peacefully. The activities includes:
 - Prevention, management and resolution of conflicts;
 - Strengthen the capacity of national electoral institutions of the requesting Governments;
 - Facilitate the deliberations and effective decision-making by the Security Council and its subsidiary organs;
 - Promote the decolonization process;
 - Enable the Palestinian people to exercise their inalienable rights and register of damage caused by the construction of the Wall in the Occupied Palestinian Territory;
 - Enhance the capacity of Member States to respond to the threat of global terrorism;
 - Advance the Middle East peace process;
 - Consolidate peace for post-conflict countries and avoid relapse into conflict; and
 - Enhance the United Nations peace and security partnership with the African Union.
- **Programme 3 - Disarmament:** The overall objective of the programme is to support efforts of Member States in the areas of disarmament and non-proliferation in all its aspects in order to help promote international peace and security and contribute to global efforts against terrorism. The activities includes:
 - Support multilateral negotiations and deliberations on agreements on arms limitation and disarmament;
 - Promote and support disarmament and non-proliferation of nuclear weapons and weapons of mass destruction;
 - Promote greater mutual confidence among Member States in conventional arms;
 - Increase understanding and knowledge on disarmament issues; and
 - Promote and enhance international efforts towards global disarmament and international peace and security.

- **Programme 4 - Peacekeeping operations:** The overall objective of the programme is to support the maintenance of peace and security through the deployment of peacekeeping operations. The activities includes:
 - Implement Security Council mandates to plan and establish peacekeeping operations and enable fulfillment of the mandates including continuous access by field missions to systems;
 - contracts for information and communications technology equipment and services;
 - Implement the military aspects of Security Council mandates;
 - Enable rule of law and security institutions in post-conflict societies; and
 - Provide the policy, guidance and training tools essential to plan, establish and sustain peacekeeping operations.
- **Programme 5 - Peaceful uses of outer space:** The overall objective of the programme is the promotion of international cooperation in the peaceful uses of outer space for economic, social and scientific development, in particular for the benefit of developing countries. The priority activates include building indigenous capability in the areas of basic space sciences, basic space technology and human space technology, and promoting the Global Navigation Satellite System and integrated space technology applications.

3.2.1.2 International law and justice

Purpose of this pillar is to advice the principal and subsidiary organs of the United Nations and to promote among Member States a better understanding and respect of the principles and norms of international law.

Summary of activities carried out by this pillar:

- **Programme 6 - Legal affairs:** The overall objective of the programme is to advice the principal and subsidiary organs of the United Nations and to promote among Member States a better understanding and respect of the principles and norms of international law primarily by providing a unified central legal service for the Secretariat and the principal and subsidiary organs of the United Nations carrying out the following activities:
 - Enhance the respect for the rule of law and to support the development of international justice by the principal and subsidiary organs of the United Nations;
 - Protect the legal interests of the Organization;
 - Progressive development and codification of international law;
 - Promote and strengthen the rule of law for the oceans;
 - Progressive improvement, harmonization, understanding, knowledge, interpretation;
 - Application of international trade law and coordination of the work of international organizations active in that field; and
 - Awareness of and participation in international treaties and actions relating to those treaties.

3.2.1.3 Cooperation and Development

Purpose of this pillar is to promote and support international and regional cooperation and development in the pursuit of sustained economic growth, the eradication of poverty and hunger, development of trade, gender equality and empowerment of women, and sustainable human settlements in an urbanizing world. Specific programmes are developed for Africa; Asia and the Pacific; Europe; Latin America and the Caribbean; developing countries; least developed countries; economies in transition; and western Asia.

Summary of activities carried out by this pillar:

- **Programme 7 - Economic and social affairs:** The overall objective of the programme is to promote and support international cooperation in the pursuit of sustained economic growth, the eradication of poverty and hunger, and sustainable development for all. The activities includes:
 - Promote coordination and coherence in the activities of the United Nations system;
 - Strengthen international cooperation in the area of social development;
 - Accelerate the implementation of sustainable development goals, targets and commitments;
 - Advance the global statistical and geospatial information system;
 - Strengthen the international community's capacity to effectively address current and emerging population issues;
 - Facilitate the reaching of intergovernmental agreement on the economic policies and actions;
 - Foster effective, efficient, transparent, accountable and citizen-centered public governance, administration and services; and
 - Advance political commitment to the management, conservation and sustainable development of all types of forests.
- **Programme 8 - Least developed countries, landlocked developing countries and small island developing States:** The mandate of the programme primarily aims mobilization and coordination of international support and resources for the effective implementation of: (i) the Istanbul Programme of Action; (ii) the outcome of the 10-year review of the Almaty Programme of Action; and (iii) the Mauritius Strategy.
- **Programme 9 - United Nations support for the New Partnership for Africa's Development:** The mandate of the programme primarily aims to: (a) mobilize support and galvanize the efforts of the international community for peace and development in Africa; (b) ensure that the development of Africa remains one of the main priorities of the international community; (c) promote a supportive international framework for African development efforts; (d) encourage a coordinated and effective response by the United Nations system at the policy and operational levels in support of African development; and (e) strengthen and enhance South-South cooperation in support of Africa's advancement.
- **Programme 10 - Trade and development:** The mandate of the programme primarily aims to assist developing countries, especially least developed countries, and countries with economies in transition in integrating beneficially into the global economy in support of inclusive and sustainable growth and development. The activities includes:

- Examine development strategies in a globalizing world economy and related issues;
- Build productive capacities and international competitiveness by strengthening science, technology and innovation;
- Ensure development gains from increased investment flows;
- Maximization of gains resulting from globalization for development in international trade and trade negotiations in goods and services;
- Improve availability and use of trade intelligence and enhance trade support institutions; and policies; Enable export success of small and medium-sized enterprises from developing countries and countries with economies in transition.
- **Programme 12 - Human settlements:** The twin goals of the United Nations Human Settlements Programme are adequate shelter for all and sustainable human settlements development in an urbanizing world. The activities includes:
 - Increase access to urban land and adoption of enabling urban legislation;
 - Improve policies, plans and designs for more compact, socially inclusive, better integrated and connected cities;
 - Improve urban strategies and policies that are supportive of inclusive economic development, creation of decent jobs and livelihoods and enhanced municipal finance;
 - Increase equitable access to urban basic services and improve the standard of living of the urban poor and existing slums;
 - Increase the resilience of cities to the impacts of natural and human-made crises; and
 - Improve knowledge on sustainable urbanization issues.
- **Programme 14 - Gender equality and empowerment of women:** The overall orientation of the programme is to achieve the elimination of discrimination against women and girls; the empowerment and advancement of women; and the realization of equality between women and men as partners and beneficiaries of development, human rights, humanitarian action and peace and security.
- **Programme 15 - Economic and social development in Africa:** The overall objective of the programme is to assist African countries in formulating and implementing policies and programmes that will lead to sustainable economic growth and social development, with particular emphasis on poverty reduction. Achievement of these objectives is an essential component of the work of the Economic Commission for Africa (ECA).
- **Programme 16 - Economic and social development in Asia and the Pacific:** The overall objective mandate is to promote regional cooperation for inclusive and sustainable economic and social development in Asia and the Pacific, a dynamic region characterized by growing wealth, diversity and change, but also challenged with persistent poverty, environmental degradation, inequality and insecurity. The mandate for the programme falls within the purview of the Economic and Social Commission for Asia and the Pacific (ESCAP).
- **Programme 17 - Economic development in Europe:** Economic Commission for Europe (ECE) objective is to promote sustainable development and regional cooperation and integration through (a) policy dialogue, (b) normative work and (c) regional networks of experts. Less advanced countries will

be the main beneficiaries of ECE technical cooperation: policy advice, capacity-building and field projects.

- **Programme 18 - Economic and social development in Latin America and the Caribbean:** The overall purpose of the programme is to promote economic, social and environmentally sustainable development in Latin America and the Caribbean through international cooperation, by undertaking comprehensive research and analyses of development processes and providing the relevant normative, operational and technical cooperation services to member States in support of regional development efforts. The mandate for the programme falls within the purview of the Economic Commission for Latin America and the Caribbean (ECLAC).
- **Programme 19 - Economic and social development in Western Asia:** The overall orientation of the programme is to foster comprehensive, equitable, integrated and sustainable development through effective economic and social cooperation in the region, and to maintain and strengthen economic relations between the member countries of the Economic and Social Commission for Western Asia (ESCWA) and with other countries.

3.2.1.4 Human Rights and Humanitarian Affairs

Purpose of this pillar is to promote and protect the effective enjoyment by all of all human rights by making development equitable, sustainable and responsive to the needs of people and to ensure the timely, coherent and coordinated response of the international community to disasters and emergencies and ensure international protection to refugees including Palestine refugees.

Summary of activities carried out by this pillar:

- **Programme 20 - Human rights:** The objective of the United Nations human rights programme is to promote and protect the effective enjoyment by all of all human rights. The activities includes:
 - Advancing the promotion , protection, and integration of all human rights by contributing to the effective realization of the right to development and by increasing knowledge, awareness and understanding;
 - Providing substantive support and advice to the human rights treaty bodies and to the Human Rights Council and its subsidiary bodies; and
 - Enhanced capacity-building, including through assistance to requesting States.
- **Programme 21 - International protection, durable solutions and assistance to refugees:** The objective of the programme is to ensure international protection to refugees and other persons of concern to the Office of the United Nations High Commissioner for Refugees and to achieve permanent solutions to their problems in cooperation with States and other organizations, including through the provision of humanitarian assistance.
- **Programme 22 - Palestine refugees:** The objective of the programme is to protect, preserve and promote the health status, meet the basic educational needs and improve the standard of living and advance the rights of Palestine refugees.

- **Programme 23 - Humanitarian assistance:** The overall purpose of the programme is to ensure the timely, coherent and coordinated response of the international community to disasters and emergencies and to facilitate the smooth transition from emergency relief to rehabilitation and development.

3.2.1.5 Public Information and Communication

Purpose of this pillar is to provide global communication about the ideals and work of the United Nations; interacts and partners with diverse audiences; and builds support for peace, development and human rights for all.

Summary of activities carried out by this pillar:

- **Programme 24 - Public information:** The objective of this programme is to promote global awareness and enhanced understanding of the work and issues of the United Nations by providing accurate, impartial, comprehensive, balanced, coherent, timely and relevant information. The activities include:
 - Broaden understanding of and support for the work of the United Nations, in particular by providing communications support for key United Nations events and initiatives;
 - Strengthen support for the United Nations through information products and news services; and
 - Enhance understanding of the role, work and concerns of the United Nations and to encourage the exchange of ideas, information and knowledge in support of the goals of the Organization.

3.2.1.6 Environmental Affairs

Purpose of this pillar is to contribute to the well-being of current and future generations and the attainment of global environmental goals. It is centered on transition to low-carbon, resource-efficient and equitable development based on the protection and sustainable use of ecosystem services, coherent and improved environmental governance and the reduction of environmental risks.

Summary of activities carried out by this pillar:

- **Programme 11 - Environment:** The objective of this is to contribute to the well-being of current and future generations and the attainment of global environmental goals. It is centered on transition to low-carbon, resource-efficient and equitable development based on the protection and sustainable use of ecosystem services, coherent and improved environmental governance and the reduction of environmental risks. The activities under this programme are grouped under sub-programmes relating to climate change, disasters and conflict, ecosystem management, environmental guidance, chemicals and waste, resource efficiency and environment under review. The activities include:
 - Strengthen the ability of countries to move towards climate resilient and low-emission pathways for sustainable development and human well-being;

- Promote a transition within countries to the sustainable use of natural resources and the reduction of environmental degradation to protect human well-being from the environmental causes and consequences of disasters and conflicts;
- Promote a transition to the integration of the management of land, water and living resources to provide ecosystem services sustainably and equitably among countries;
- Strengthen synergies and coherence in environmental governance in order to facilitate a transition towards environmental sustainability in the context of sustainable development;
- Promote a transition among countries to the sound management of chemicals and waste in order to minimize impacts on the environment and human health;
- Promote a transition in which goods and services are increasingly produced, processed and consumed in a sustainable way that decouples economic growth from resource use and environmental impact, while improving human well-being; and
- Empower stakeholders in their policymaking and decision making by providing scientific information and knowledge and keeping the world environment under review.

3.2.1.7 Security and Safety

Purpose of this pillar is to provide leadership, operational support and oversight of the United Nations security management system.

Summary of activities carried out by this pillar:

- **Programme 28 - Safety and security:** The objectives of this programme are (a) to enable United Nations activities by ensuring a coherent, effective and timely response to all security related threats and other emergencies; (b) to ensure effective risk mitigation through the establishment of a coordinated security risk management methodology, including a threat and risk assessment mechanism implemented in full cooperation with national authorities of host countries; and (c) to continue to develop high quality best-practice security policies, standards and operational procedures across the United Nations system, including the appropriate degree of standardization, and to support their implementation and monitor compliance. The activities include:
 - Provide a secure and safe environment for staff members, delegates, visiting dignitaries and other visitors and prevent damage to United Nations property and facilities;
 - Provide a secure and safe environment to enable United Nations programme activities at all duty stations; and
 - Provide safety and security knowledge and skills to all relevant actors.

3.2.1.8 Crime Prevention

Purpose of this pillar is to work with Member States to enhance their efforts to combat the intertwined problems of transnational crime, corruption and terrorism by helping to create and strengthen legislative, judicial and health systems to safeguard some of the most vulnerable persons in society.

Summary of activities carried out by this pillar:

- **Programme 13 - International drug control, crime and terrorism prevention and criminal justice:** The objectives are to promote effective responses to transnational organized crime, illicit trafficking by facilitating the implementation at the normative and operational levels of the relevant United Nations conventions; prevent and combat corruption; and strengthen a functional criminal justice regime against terrorism; and enhance knowledge of thematic and cross-sectoral trends for effective policy formulation, operational response and impact assessment.

3.2.1.9 Common support services

- **Programme 25 - Common support services:** The overall purpose of common support services is to enhance the accountability and efficiency of the Organization in managing its resources in four broad management areas, namely, finance, human resources, information and communications technology, and support services, including procurement and infrastructure; to provide support services to the intergovernmental processes of the Organization; to secure financing for the mandated programmes and activities of the Secretariat; and to support the implementation of those programmes and activities.

3.2.1.10 Others

- **Programme 26 - Internal oversight:** The overall purpose of internal oversight is to enhance transparency and accountability and contribute to the economy, high efficiency, effectiveness and goal fulfillment in the United Nations. The internal oversight responsibility is achieved through monitoring, internal audit, inspection, evaluation and investigation.
- **Programme 1 - General Assembly and Economic and Social Council affairs and conference management:** The overall purposes are (a) to facilitate, through the provision of procedural and technical secretariat support and authoritative advice, the orderly and effective conduct of the deliberations and follow-up actions of intergovernmental bodies and United Nations conferences; (b) to provide substantive and technical secretariat servicing to the Committee on Conferences; (c) to ensure, through integrated global management, the provision of high-quality conference-servicing support to all intergovernmental and expert bodies (d) to provide protocol, liaison and representational functions for the Secretary-General, host Governments and Member States; and (e) to ensure the uninterrupted delivery of services during the implementation of the capital master plan at Headquarters.

- **Programme 27 - Jointly financed activities:**

- International Civil Service Commission: The Commission aims at the development of a single unified international civil service through the application of common personnel standards, methods and arrangements;
- Joint Inspection Unit: The Unit aims at satisfying itself that the activities undertaken by the United Nations are carried out in the most economical manner and that optimum use is made of resources available for carrying out those activities; and
- United Nations System Chief Executives Board for Coordination: The Board aims at promoting coherence, cooperation and coordination in the policies, programmes and activities of the organizations of the United Nations system in accordance with their respective mandates and in response to the decisions of intergovernmental bodies.

3.3 Volume II

Segment reporting for The United Nations peacekeeping operations (Volume II) will be based on:

- Closed Missions;
- Active Missions; and
- Support Activities.

Further relevant information should be provided on a mission basis.

Volume II segments are based on the IPSAS policy framework.

3.4 United Nations secretariat reporting entities other than Volume I and II

Each entity identifies segments based on activities at the entity level.

A process similar to Volume I as explained in section 3.2 should be following by all entities to identify segments. Refer to section 3.4.1 to section 3.4.7 for a basic assessment for each entity.

3.4.1 INTERNATIONAL TRADE CENTRE

Background:

The International Trade Centre (ITC) is a joint technical cooperation agency of the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO) for business aspects of trade development. ITC's mission is to contribute to sustainable development through technical assistance in export promotion and international business development. ITC's strategic objectives are: (i) to support policymakers in integrating the business sector into the global economy; (ii) to develop the capacity of trade service providers to support businesses; and (iii) to strengthen the international competitiveness of enterprises.

ITC's regular budget is financed jointly and equally by the United Nations and WTO, and technical cooperation projects are financed by voluntary contributions from trust fund donors and by allocations from the United Nations Development Programme (UNDP).

ITC is headed by an Executive Director, who reports to the Secretary General of the United Nations Conference on Trade and Development (UNCTAD) and the Director General of the World Trade Organization (WTO). The Senior Management Committee is made up of the two executive officers and the heads of ITC's four divisions. ITC's organization is structured into the offices of the Executive Director and the Deputy Executive Director, and four divisions with Divisional Directors at the head.

- The Office of the Executive Director is in charge of strategic planning, external relations and communications;
- The Division of Country Programmes coordinates ITC's projects at the country level and serves as the focal point for coordinating with client countries;
- The Division of Market Development provides market analysis and research, trade information services and coordinates ITC's sector-specific work;
- The Division of Business and Institutional Support focuses on enhancing the competitiveness of exporters and the effectiveness of trade support institutions; and
- The Division of Programme Support provides administrative support activities, such as budget preparation and implementation control, accounting, human resources management, building management, procurement, travel and registry services and information technology services to the organization.

Analysis in brief:

ITC's mission is to contribute to sustainable development through technical assistance in export promotion and international business development. Accordingly, for segment reporting purpose, **ITC was assessed as having only one service segment**. This position is reflected in the financial statements for the year ended 31 December 2014.

Additionally, since most of the ITC's activities are conducted on a global basis, geographic segments are not applicable.

3.4.2 UNITED NATIONS COMPENSATION COMMISSION

Background:

The United Nations Compensation Commission (UNCC) is a subsidiary organ of the Security Council. It was established in accordance with Security Council resolutions 687 (1991) and 692 (1991) to process claims and pay compensation for direct losses and damage suffered by individuals, corporations, Governments and international organizations as a direct result of the invasion and occupation of Kuwait by Iraq.

The Compensation Commission established the follow-up programme for environmental awards to monitor the implementation of the 26 environmental projects. The Governing Council created the programme in December 2005 in consultation with the Government of Iraq and the participating Governments of the Islamic Republic of Iran, Jordan, Kuwait and Saudi Arabia as a mechanism for monitoring the financial and technical aspects of various environmental projects being undertaken by the claimant Governments with funds awarded by the Commission.

The Compensation Commission is currently composed of the Governing Council and the secretariat. The Council is the policymaking organ of the Commission. The secretariat, headed by the Executive Head, services and provides assistance to the Governing Council.

The Compensation Commission is funded almost entirely by Iraqi oil export revenues, including the equivalent value of non-monetary transactions. Funding for the follow-up work on the environmental programme comes from funds earmarked specifically for the administration of the awards.

Analysis in brief:

UNCC's primary objective is to process claims and pay compensation as a result of the invasion and occupation of Kuwait by Iraq. Subsequently in 2005, UNCC established the follow-up programme for environmental awards; this was further divided by having funds withheld from the follow-up programme as a separately managed activity.

Common support services through, the Governing Council and secretariat are attributable to each activity. Accordingly, for segment reporting purpose, **UNCC was assessed as having three service segments:**

- Compensation Fund
- Follow-up Programme for Environmental Awards; and
- Funds withheld from the Follow-up Programme for Environmental Awards.

This position is reflected in the financial statements for the year ended 31 December 2014.

3.4.3 UNITED NATIONS ENVIRONMENT PROGRAMME

Background:

The United Nations Environment Programme (UNEP) is an international institution that coordinates United Nations environmental activities, assisting developing countries in implementing environmentally sound policies and practices. It was founded as a result of the United Nations Conference on the Human Environment in June 1972.

UNEP's mandate and focus are determined by its Governing Council. Member States to the Governing Council are elected by the UN General Assembly for four-year terms, taking into account the principle of equitable regional representation.

The Committee of Permanent Representatives (CPR), made up of government delegates assigned to monitor UNEP's work, is a subsidiary of the Governing Council. The mandate of the CPR includes reviewing, monitoring and assessing the implementation of Governing Council decisions, reviewing the UNEP Programme of Work and budget and its subsequent implementation, and preparing draft decisions for consideration by the Governing Council.

UNEP's main activities are related to:

- Climate change; including the Territorial Approach to Climate Change;
- Disasters and conflicts;
- Ecosystem management;
- Environmental governance;
- Harmful substances; and
- Resource efficiency.

Apart from a small contribution from the United Nations Regular Budget, which is less than 4% of the UNEP's total budget, UNEP depends entirely on voluntary support. The Environment Fund is the main source of funding for UNEP's activities. Additional financing of UNEP is provided in the form of earmarked funding for specific UNEP activities, paid through Trust Funds and Earmarked contributions. A significant earmarked support is received through the Partnership Agreements between UNEP and major donor countries. Such agreements are focused on UNEP programme priorities and aim at making additional support more strategic and predictable. The non-governmental donors, including the private sector and individuals, play also an important role in providing financial and in-kind support to various UNEP programme initiatives.

Analysis in brief:

UNEP's overall strategic goal is implementing environmental programmes. The activities are managed through funds, including, where necessary separate funds to administer specific classifications of activities such as those administered under conventions / protocols of the Multilateral Fund¹. Accordingly, for segment reporting purpose, **UNEP was assessed as having seven segments:**

¹ The Multilateral Fund for the Implementation of the Montreal Protocol provides funds to help developing countries comply with their obligations under the Protocol to phase out the use of ozone-depleting substances (ODS) at an agreed schedule. It is managed

- Environment Fund;
- Regular budget;
- Other support to the UNEP programme of work;
- Conventions and protocols;
- Multilateral Fund;
- Programme support; and
- End-of-service and post-retirement benefits.

This position is reflected in the financial statements for the year ended 31 December 2014.

3.4.4 UNITED NATIONS HUMAN SETTLEMENTS PROGRAMME

Background:

The United Nations Human Settlements Programme (UN-HABITAT) is the United Nations agency for human settlements. It is mandated by the UN General Assembly to promote socially and environmentally sustainable towns and cities with the goal of providing adequate shelter for all. The plan's overall strategic goal is to support governments and their development partners to achieve more sustainable urbanization.

UN-HABITAT's work and relationships with its partners are periodically examined in detail by the Governing Council, which is subsidiary to the General Assembly and serves as the intergovernmental **decision-making body** of UN-HABITAT.

The agency's budget comes from four main sources - the vast majority in the form of contributions from multilateral and bilateral partners for technical cooperation. The agency also receives earmarked contributions from governments and other partners, including local authorities and foundations, and around 5 per cent from the regular UN budget.

UN-HABITAT operates **thematic trust funds** aimed at helping beneficiaries achieve specific aspects of the Millennium Development Goals and other development targets. These trust funds are designed to facilitate contributions from multiple donors. In addition, they reduce transaction costs through a transparent and accountable governance system involving donor representatives and international and national partners. The trust funds include the following:

- The Slum Upgrading Facility, which provides advisory services, the packaging of financial products, and referral functions to its clients.
- The Experimental Reimbursable Seeding Operation, which provides seed money for pro-poor housing and related infrastructure projects on a reimbursable basis.

by an Executive Committee with an equal representation of seven industrialized and seven Article 5 countries which are elected annually by a Meeting of the Parties. The Committee reports annually to the Meeting of the Parties on its operations.

- The Water and Sanitation Trust Fund, which supports developing countries to achieve the internationally agreed development goal for water and sanitation in rapidly growing urban areas.
- The Palestinian Housing Fund, which is designed to improve the living conditions of the Palestinian people and promote peace building.

Analysis in brief:

UN-HABITAT's overall strategic goal is supporting governments to achieve more sustainable urbanization. Based on the type of arrangement, UN-HABITAT activities and thematic trust funds are classified for separate financial reporting purposes into the different categories of fund. Accordingly, for segment reporting purpose, **UN-HABITAT was assessed as having six segments:**

- Regular budget;
- Foundation non-earmarked;
- Foundation Special Purpose;
- Technical Cooperation;
- Programme Support; and
- End-of-service and post-retirement benefits.

This position is reflected in the financial statements for the year ended 31 December 2014.

3.4.5 UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH

Background:

The United Nations Institute for Training and Research (UNITAR) was established in 1965 as an autonomous body within the United Nations with the purpose of enhancing the effectiveness of the Organization through appropriate training and research.

As an autonomous body within the United Nations system, UNITAR is governed by a Board of Trustees and is headed by an Executive Director. The Institute is supported by voluntary contributions from governments, intergovernmental organizations, foundations, and other non-governmental sources.

The mission of UNITAR is to deliver innovative training and conduct research on knowledge systems. UNITAR training programmes are divided among three units: the Environment Unit, the Peace, Security and Diplomacy Unit and the Governance Unit. In addition, UNITAR conducts research on knowledge systems to explore innovative and modern approaches for high-quality training.

UNITAR organizational structure includes:

- Training Department regroups the bulk of UNITAR's operational activities;
- Research Department has been put in place to streamline UNITAR's research activities; and

- Support services to support the core activities of UNITAR worldwide.

Analysis in brief:

UNITAR's mandate is to deliver innovative training and conduct research on knowledge systems. Accordingly, for segment reporting purpose, **UNITAR was assessed as having three service segments:**

- Office of the Executive Director;
- Programmes; and
- Operations / support services.

This position is reflected in the financial statements for the year ended 31 December 2014.

3.4.6 UNITED NATIONS OFFICE ON DRUGS AND CRIME

Background:

The United Nations Office on Drugs and Crime (UNODC) was established in 1997 as the Office for Drug Control and Crime Prevention by combining the United Nations International Drug Control Program (UNDCP) and the Crime Prevention and Criminal Justice Division in the United Nations Office at Vienna.

The agency is led by an Executive Director appointed by the United Nations Secretary-General. A significant portion of the UNODC's funding comes from voluntary contributions, mainly from governments. UNODC is mandated to assist and support Member States in addressing issues relating to drugs and crime. This includes support for the prevention, deterrence and treatment of the negative effects of activities relating to illicit drugs, crime and terrorism.

UNODC gets funding from following sources:

- The United Nations, primarily from its regular budget;
- General-purpose funds: are non-earmarked resources that primarily finance the executive direction and management of UNODC, as well as programme costs;
- Programme support cost funds are resources recovered through the application of a charge against activities funded from special purpose contributions; and
- Special-purpose funds are earmarked voluntary contributions that finance the Office's technical cooperation and other substantive activities.

Analysis in brief:

UNODC's mandate has historically been towards issues relating towards drugs and crime. UNODC's governance structure and budget information are driven by activities in relation to drug control and crime prevention. Accordingly, for segment reporting purposes, **UNODC was assessed as having two segments:**

- International Drugs Control Programme; and
- United Nations Crime Prevention and Criminal Justice Programme.

This position is reflected in the financial statements for the year ended 31 December 2014.

3.4.7 TRIBUNALS

3.4.7.1 International Criminal Tribunal for Rwanda

Background:

International Criminal Tribunal for Rwanda (ICTR) was established by the Security Council in its resolution 955 (1994). The ICTR was established for the prosecution of persons responsible for genocide and other serious violations of international humanitarian law committed in the territory of Rwanda between 1 January 1994 and 31 December 1994. The ICTR consists of the following organs: (i) The Chambers, by statute, comprise three Trial Chambers and an Appeals Chamber, (ii) The Office of the Prosecutor and (iii) The Registry, which services both the Chambers and the Prosecutor and is responsible for the administration and servicing of the ICTR.

Analysis in brief:

The overall mandate is “to bring to justice those responsible for violations of law”. Even though the budgetary documents include a breakdown that reflects the organizational structure of the ICTR into the Chambers, the Prosecutor and the Registry each of those do not meet the definition of a segment as they do not represent different activities. Accordingly, for segment reporting purposes, **ICTR was assessed as having one service segment.**

3.4.7.2 International Tribunal for the Former Yugoslavia

The International Tribunal for the Former Yugoslavia (ICTY) was established by the Security Council in its resolutions 808 (1993) and 827 (1993). The ICTY consists of the following organs: (i) The Chambers comprise three Trial Chambers and an Appeals Chamber, (ii) The Office of the Prosecutor and (iii) The Registry. The mandate of the ICTY is to bring to justice those responsible for serious violations of international humanitarian law committed in the former Yugoslavia since 1991.

Analysis in brief:

The overall mandate is “to bring to justice those responsible for violations of law”. Even though the budgetary documents include a breakdown that reflects the organizational structure of the ICTY into the Chambers, the Prosecutor and the Registry each of those do not meet the definition of a segment as they do not represent different activities. Accordingly, for segment reporting purposes, **ICTY was assessed as having one service segment.**

Additionally, the ICTY outreach programme funded from extra budgetary contributions may be considered as separate activity for segment reporting purposes, as the activities undertaken by the ICTY outreach programme are the core of the entity’s relationship with the public (local communities within the region of the former Yugoslavia, international media and academia, civil society, etc) and as such they may be reported separately under the Public Information and Communication segment. However given that the dedicated resources represent around 1% of total funding, ICTY has decided that reporting as a separate segment does not add value to decision making as it is immaterial and not relevant to performance evaluation. Accordingly, the outreach programme activities will not be considered as a separate segment.

3.4.7.3 International Residual Mechanism for Criminal Tribunals

The International Residual Mechanism for Criminal Tribunals (IRMCT) was established by the Security Council in its resolution 1966 (2010) in order to carry out a number of essential functions of ICTR and ICTY after the completion of their respective mandates. It comprises two branches: one for the functions inherited from each of the two predecessor reporting entities. IRMCT consists of the following organs: (i) The Chambers comprise a Trial Chamber for each branch and an Appeals Chamber common to the branches, (ii) The Office of the Prosecutor common to both branches and (iii) The Registry common to both branches.

Analysis in brief:

The overall mandate is to continue the “jurisdiction, rights and obligations and essential functions” (UNSC Resolution 1966) of the ICTR and the ICTY; and maintaining the legacy of both institutions. Even though the budgetary documents include a breakdown that reflects the organizational structure of the IRMCT into the Chambers, the Prosecutor and the Registry each of those do not meet the definition of a segment as they do not represent different activities. Accordingly, for segment reporting purposes, **ICTY was assessed as having one service segment.**

4 SEGMENT DISCLOSURE REQUIREMENTS

4.1 Segment disclosures in United Nations financial statements

4.1.1 SEGMENT REVENUE AND SEGMENT EXPENSES

Under IPSAS 18, the United Nations will disclose segment revenue and segment expense for each segment.

Segment revenue includes:

- Revenue directly attributable to a segment;
- Relevant portion of revenue that can be allocated on a reasonable basis. Allocated revenue can be from budget appropriations, donations, grants, transfers, or sales to external customers or from transactions with other segments; and
- Share of net surplus (deficit) of associates, joint ventures, or other investments accounted for under the equity method, only if those items are included in revenue.

Segment revenue from following sources is reported:

- External sources;
- Budget appropriation or similar allocation; and
- Transactions with other segments including the basis of pricing inter-segment transactions.

Segment expense results from the **operating activities** of a segment. Segment expense includes:

- Expenses directly attributable to the segment; and
- Relevant portion of expense that can be allocated on a reasonable basis; and
- United Nations share of a jointly controlled entity that is proportionately consolidated.

Segment revenue and expenses **exclude**:

- Interest expense/revenue or dividend earned on investments;
- Gain or loss on sale of investment;
- Income tax or income tax equivalent expenses; and
- General administrative expenses that arise at the United Nations level as a whole.

Example – Interest revenue from investment in cash pools**Background:**

Crime prevention pillar of Volume I has invested \$100,000 in cash pools as at 31 December 2014 and the cash pool generated interest revenue of \$1,000 for the year ended 31 December 2014

Analysis:

IPSAS 18 excludes interest or dividend revenue from segment revenue unless the segment's operations are primarily of a financial nature, accordingly the interest revenue of \$1,000 should be considered as unallocated.

Segment assets are **operating assets** employed by a segment. IPSAS 18 states that if segment revenue excludes interest or dividend revenue, its segment assets will exclude investments, accordingly the investments in cash pools should not be included in segment assets and should be classified as unallocated.

Entities are **encouraged to disclose** the nature and amount of any items of segment revenue and segment expense that are of such size, nature, or incidence that their disclosure is relevant to explain the performance of each segment for the period. Examples include impairments of property, plant, and equipment; disposals of property, plant, and equipment; reversals of provisions.

4.1.2 SEGMENT ASSETS AND SEGMENT LIABILITIES

The United Nations discloses the **total carrying amount** of segment assets and segment liabilities for each segment.

Segment assets are those **operating assets** that are employed by a segment in its operating activities.

Segment assets include:

- Assets directly attributable to a segment;
- Assets allocated to the segment on a reasonable basis;
- United Nations share of operating assets of a jointly controlled entity that is proportionately consolidated; and
- Investments accounted for under the equity method only if net surplus (deficit) is included in segment revenue.

Segment assets are determined after deducting allowances that are reported as offsets in the United Nations financial statements i.e. Property, Plant and Equipment must be reported net of accumulated depreciation (and impairment) and receivables must be reported net of allowance for doubtful debts.

If a segment's segment revenue excludes interest or dividend revenue, its segment assets exclude the related receivables, loans, investments, or other revenue-producing assets.

Segment assets do not include income tax or income tax equivalent assets.

Example – Allocation of cash and bank balance

- Cash received from voluntary contributions is deposited into United Nations headquarters' bank account; if the headquarters' bank account is used for all segments on an as needed basis then the headquarters' bank account should be classified as unallocated.
- Cash received from voluntary contributions is deposited into segments' bank account however the segment bank account is managed centrally by treasury team and funds from segment bank account are used for all segments on an as needed basis then the segment bank account should be classified as unallocated.

Note: It is not mandatory to allocate each and every financial statement line item into different segments. Every account should be analyzed based on substance to conclude whether allocation amongst segments would result in a prudent and faithful presentation of facts. IPSAS 18 states that Segment assets include operating assets shared by two or more segments **only if a reasonable basis for allocation exists**.

Segment liabilities are those **operating liabilities** that result from the operating activities of a segment. Segment liabilities include:

- Liabilities directly attributable to a segment; and
- Liabilities allocated to the segment on a reasonable basis; and
- United Nations share of liabilities of a jointly controlled entity that is proportionately consolidated.

If a segment's segment expense excludes interest expense, its segment liabilities exclude the related interest-bearing liabilities.

Segment liabilities do not include income tax or income tax equivalent assets.

Example – Allocation of post-employment benefits

Allocation of employee benefits amongst segments on a reasonable basis seems straight forward as it can be computed based on staff cost and staffing tables; however allocation of defined benefit post-employment benefit schemes needs special attention.

Defined benefit post-employment benefits (including recognized actuarial gains and losses) are computed by applying an actuarial valuation method, accordingly benefits attributable to each employee cannot be easily identified. It is important that the actuary is informed upfront about the segment reporting requirements so that actuary can suggest the most appropriate method to allocate employee benefits cost and liabilities. Normally the actuary will have to be provided with data that maps each employee or proportion of time spent by each employee for various segments.

Refer to corporate guidance paper # 8 Employee Benefits for detailed guidance on measurement of employee benefits.

The United Nations also discloses cost incurred during the period to acquire segment assets that are expected to be used during more than one period for each segment.

Note: As per IPSAS Policy Framework paragraph 23.4.2, it has been agreed with the BoA that the segment asset and segment liability disclosure will only be considered after Umoja's full deployment.

4.1.3 OTHER DISCLOSURE CONSIDERATIONS

- The United Nations presents reconciliation between the information disclosed for segments and the aggregated information in the financial statements.
- The United Nations also discloses a brief description of each segment including the type of goods and services included or composition of each reported segment.
- The United Nations has decided **not** to disclose the following information which is not mandatory however encouraged by IPSAS 18:
 - Segment cash flows consistent with the requirements of IPSAS;
 - The broad operating objectives established for each segment at the commencement of the reporting period, and to comment on the extent to which those objectives were achieved;
 - Information about each geographical segment that is reported internally to the governing body and the senior manager:
 - Segment expense;
 - Total carrying amount of segment assets; and
 - Total outlay during the period to acquire segment assets (property, plant, equipment, and intangible assets) that are expected to be used during more than one period.
- IPSAS 18 includes certain disclosure requirements if there are any changes in accounting policies adopted for segment reporting that have a material effect on segment information. Such disclosure primarily includes a description of the nature of the change, the reasons for the change, the fact that

comparative information has been restated or that it is impracticable to do so, and the financial effect of the change if it is reasonably determinable.

4.2 Sample segment disclosure for Volume I

Following table represents sample segment revenue and segment expense disclosure for Volume 1. A similar tabular disclosure can be considered by other reporting entities in their respective IPSAS financial statements.

Statement of financial performance by segment	Political & Peacekeeping Affairs	International Justice and Law	Cooperation and Development	Human Rights and Humanitarian Affairs	Public Information and Communication	Environmental Affairs	Security and Safety	Crime Prevention	Common Support Services	Other	Self-insurance and other insurance plans	Unallocated	Eliminations	Total
Revenue														
Assessed contributions	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Voluntary contributions	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Other transfers	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Contributions to self-insurance	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Investment revenue	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Others	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Total revenue	X	X	X	X	X	X	X	X	X	X	X	X	-	X
Expenses										X	X	X	X	
Employee expenses	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Non-employee compensation / allowances	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Grants and other transfers	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Supplies and consumables	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Depreciation and amortization	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Impairment	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Travel	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Other operating expenses	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Self-insurance expenses	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Finance costs	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Other	X	X	X	X	X	X	X	X	X	X	(X)	X	X	X
Total expenses	X	X	X	X	X	X	X	X	X	X	(X)	X	-	X
Surplus (Deficit) for the period	X	X	X	X	X	X	X	X	X	X	(X)	X	-	X

Note: IPSAS **does not** require segment disclosure based on each line of statement of financial performance; however the United Nations has decided to present detailed disclosure for each segment.

5 APPENDICES – CASE STUDY

5.1 Volume I - Mapping of UNSAS funds to IPSAS segment

As discussed in section 3.2 segments in Volume I under IPSAS will be based on thematic pillars. The segment report for the purpose of IPSAS segment reporting is expected to be generated from UMOJA which in turn will be based on the mapping of activities. Accordingly **it is very important that the activities are mapped to the appropriate thematic pillar**. The following case study explains the mapping process for each statement within Volume I to the appropriate thematic pillars.

5.1.1 GENERAL FUND STATEMENT OF APPROPRIATION

	Thematic Pillars:		Political & Peacekeeping Affairs	International Justice & Law	Cooperation, Trade and Development	Human Rights & Humanitarian Affairs	Public Information & Communications	Environmental Affairs	Security & Safety	Crime Prevention	Common Support services	Other	Self-insurance and other insurance plans
Part I. Overall policy-making, direction and coordination													
01	Overall policy-making, direction and coordination											x	
02	General Assembly affairs and conference services											x	
Part II. Political affairs													
03	Political affairs		x										
04	Disarmament		x										
05	Peacekeeping operations		x										
06	Peaceful uses of outer space		x										
Part III. International Justice and law													
07	International Court of Justice			x									
08	Legal affairs			x									
Part IV. International cooperation for development													
09	Economic and social affairs				x								
10	Office of the High Representative for LDCs, LLDCs,				x								
11	United Nations support for the New Partnership for Africa's Development				x								
12	Trade and development				x								
13	International Trade Centre UNCTAD/WTO				x								
14	Environment							x					
15	Human settlements				x								
16	International drug control, crime prevention and criminal justice				x								
37	UN Women				x								
Part V. Regional co-operation for development													
17	Economic and social development in Africa				x								
18	Economic and social development in Asia and the Pacific				x								

	Thematic Pillars:	Political & Peacekeeping Affairs	International Justice & Law	Cooperation, Trade and Development	Human Rights & Humanitarian Affairs	Public Information & Communications	Environmental Affairs	Security & Safety	Crime Prevention	Common Support services	Other	Self-insurance and other insurance plans
19	Economic development in Europe			x								
20	Economic and social development in Latin America and the Caribbean			x								
21	Economic and social development in Western Asia			x								
22	Regular programme of technical cooperation			x								
Part VI. Human rights and humanitarian affairs												
23	Human rights				x							
24	Protection of and assistance to refugees				x							
25	Palestine refugees				x							
26	Humanitarian assistance				x							
Part VII. Public information												
27	Public information					x						
Part VIII. Common support services												
28A	Office of the Under-Secretary-General for Management										x	
28B	Office of Programme Planning, Budget and Accounts										x	
28C	Office of Human Resources Management										x	
28D	Office of Central Support Services										x	
28E	Administration, Geneva										x	
28F	Administration, Vienna										x	
28G	Administration, Nairobi										x	
29	Office of Information and Communications Technology										x	
Part IX. Internal oversight												
30	Internal oversight											

	Thematic Pillars:		Political & Peacekeeping Affairs	International Justice & Law	Cooperation, Trade and Development	Human Rights & Humanitarian Affairs	Public Information & Communications	Environmental Affairs	Security & Safety	Crime Prevention	Common Support services	Other	Self-insurance and other insurance plans
												x	
Part X. Jointly financed administrative activities and special expenses													
31	Jointly financed administrative activities											x	
32	Special expenses	a											
Part XI. Capital expenditures													
33	Construction, alteration, improvement and major maintenance	a											
Part XII. Security and Safety													
34	Security and Safety								x				
Part XIII. Development account													
35	Development account				x								
Part XIV. Staff assessment													
36	Staff assessment	b	x	x	x	x	x	x	x	x	x	x	

Note:

- Each activity should be mapped based on the activity. For example the expenditure relating to the United Nations Secretariat Building should be mapped as part of Common Support Services
- Staff assessment: Reasonable method of allocation should be applied i.e. can be allocated in the proportion of staff cost.

5.1.2 GENERAL AND TECHNICAL COOPERATION TRUST FUNDS

5.1.2.1 General Trust funds

General Trust funds are established by the General Assembly or by the Secretary-General:

- When a trust fund is established by the General Assembly, the terms of reference of the fund are set out in the Assembly resolution or in documentation referred to in the resolution.
- When a trust fund is established by the Secretary-General, the purpose and limits of each trust fund is clearly defined by the appropriate authority and such funds are administered as per the United Nations Financial Regulations and Rules.

General trust funds are established to record the receipt of voluntary contributions from Governments, non-governmental organizations, United Nations organizations or entities, private sector and by individuals to support various activities including emergency assistance, political, economic, humanitarian activities and those that relate to security issues, international justice and law, public information, and support services.

Thematic Pillars:			Political & Peacekeeping Affairs	International Justice & Law	Cooperation, Trade and Development	Human Rights & Humanitarian Affairs	Public Information & Communications	Environmental Affairs	Security & Safety	Crime Prevention	Common Support services	Other	Self-insurance and other insurance plans
1	Political Affairs		x										
2	International Justice and Law			x									
3	Economic and Social Development				x								
4	Human Rights and Humanitarian Affairs					x							
5	Public Information						x						
6	Common Support and miscellaneous										x		
7	United Nations office for partnership***											x	

***The United Nations Office for Partnerships serves as a gateway for collaboration between the private sector, foundations, and the United Nations family. It promotes new partnerships and alliances in furtherance of the Millennium Development Goals and provides support to new initiatives of the Secretary-General; hence it has been grouped as part of Commons Support Services.

5.1.2.2 Technical Cooperation activities

The entities that administer Technical Cooperation project trust funds include the Department of Economic and Social Affairs (DESA) at UNHQ, the 5 Regional Commissions (ECA, ECE, ECLAC, ESCAP and ESCWA), UNCTAD, UNODC, UNHABITAT, ICTR, ICTY, IRMCT and UNEP.

Technical cooperation trust fund agreements are normally negotiated at the level of individual projects. The projects cover services provided by experts and associate experts, individual group training through inter-regional seminars, workshops and study groups and project equipment.

For the purpose of segment reporting each technical cooperation trust fund agreement should be mapped to the appropriate thematic pillar.

Note: Going forward Technical cooperation activities may be merged with General Trust funds.

5.1.3 OTHER FUNDS

5.1.3.1 Tax Equalization fund

The Tax Equalization Fund was established to equalize the net pay of all staff members whatever their national tax obligations. The Fund reports as income the staff assessment in respect of staff members financed under the regular budget, assessed peacekeeping operations and the Tribunals. The Fund includes as expenditure the credits against the regular budget, peacekeeping and Tribunals assessments of Member States that do not levy taxes on the United Nations income of their nationals. Member States that do levy income taxes on their nationals working for the Organization do not receive this credit in full. Instead, their share is utilized in the first instance to reimburse staff members for taxes they had to pay on their United Nations income.

For the purpose of segment reporting tax equalization fund can be classified as other funds because the underlying objective of tax equalization fund is to equalize the net pay of United Nations employees despite different national tax obligations.

5.1.3.2 Capital Master plan

The Capital Master Plan was established in 2001 pursuant to General Assembly resolution to undertake a project for the major refurbishment of the United Nations Headquarters complex in New York. The United Nations Headquarters complex in New York is part of Common Support Service; hence, Capital Master Plan will be classified as **Common Support Service**.

5.1.3.3 Capital Asset and construction in progress

Capital Asset represents land and buildings reported at original cost. Construction in progress comprises of various construction projects. The costs of construction or major maintenance are accounted for in a separate construction in progress until the completion of the building or construction project. Each capital asset and construction-in-progress should be analyzed and mapped to the segment to which it relates.

Example – Capital assets

Capital assets include United Nations building at New York.

Analysis: For segment reporting purpose since the United Nations building at New York is part of Common Support Services it should be mapped to Common Support Services segment.

Example – Construction is progress

The construction is progress fund includes a building being renovated at UNON.

Analysis: For segment reporting purpose since the building at UNON is part of Common Support Services all renovation activities and transaction related to building being renovated at UNON should be mapped to Common Support Services segment.

5.1.3.4 End of service and post-retirement benefits

The Special Reserve was established to account for the liability in respect of end of service benefits for after service health insurance (ASHI), for repatriation grant entitlement and for accrued unused annual leave payable to staff separating from service. Liability and expense should be allocated to each of the segments based on the number of employees and other relevant factors. Actuary should be provided with relevant information so that actuarial report can include information required for preparation of segment disclosures.

Note: Allocation can be made based on staffing tables.

5.1.3.5 Other special funds

Fund		Brief explanation of the fund	Classification:
A	United Nations funds held in trust	Funds held in trust accounts are accounts into which contributions and other credits relating to insurance activities are managed and from which disbursements are made for.	Self-insurance and other insurance plans
B	United Nations special accounts for administrative cost recoveries	Support of technical cooperation activities	Others
		Support of extrabudgetary substantive activities	Others
		Support of humanitarian activities	Others
		Support of United Nations Fund for International partnerships	Others
C	Commons support services	Enterprise resource planning	Common Support Services
		IMIS	Common Support Services
		Information Technology and Telecommunications	Common Support Services
		Travel Services	Common Support Services
		Rented Premises	Common Support Services
D	Jointly financed activities: As a result of the introduction of net budgeting as endorsed by the General Assembly, a special fund was established to record the expenditures and income relating to jointly financed costs. The costs shall be charged directly to the fund established for these jointly financed activities and subsequently distributed among participating organizations.	International Civil Service Commissions: The International Civil Service Commission (ICSC) is an independent expert body established by the United Nations General Assembly. Its mandate is to regulate and coordinate the conditions of service of staff in the United Nations common system (see below), while promoting and maintaining high standards in the international civil service.	Common Support Services
		Joint Inspection Unit: They are mandated to provide an independent view through inspection and evaluation aimed at improving management and methods and at achieving greater coordination between organizations.	Common Support Services
		The UN System Chief Executives Board for Coordination: The United Nations System Chief Executives Board (CEB) is the prime instrument for supporting and reinforcing the coordinating role of United Nations intergovernmental bodies on social, economic and related matters. CEB aligns the strengths of a decentralized system of specialized organizations into a cohesive and functioning whole.	Common Support Services
		Safety and Security	Safety and Security
		Malicious Acts Insurance policy: The policy provides compensation for death or permanent total or partial disability caused by malicious acts, to national and international staff, consultants, official visitors and special guests.	Common Support Services
		DHL Consortium	Public information and communications

Fund		Brief explanation of the fund	Classification:
E	Special multiyear account for supplementary development activities	The General Assembly decided to establish a special multi-year account for supplementary development activities based on the programmes of the approved medium-term plan. As the funds are appropriated, they are transferred to the Development Account budget section and implemented within the principles of a multi-year account, where the funds are retained within the account and used to fund individual development projects.	Cooperation and Development
F	Conferences and conventions	These funds are established to account for contributions and other income received to finance expenditures relating to the conferences and substantive meetings pursuant to host country agreements, for conferences of state parties to treaties and conventions and other sponsored events.	Common Support Services
G	United Nations System Staff College	Pursuant to General Assembly resolution 55/278, the United Nations System Staff College was established effective 1 January 2002 and a special account was created to account for the activities of the College. The College shall serve as the institution for system-wide knowledge management, training and continuous learning for the staff of the United Nations system, aimed in particular at the areas of economic and social development, peace and security and internal management of the United Nations system.	Common Support Services
H	Others	United Nations Memorial and Recognition fund	Others, Common Support Services
		United Nations Mission in East Timor	Political and Peacekeeping Affairs
		Sale of United Nations Bonds	Political and Peacekeeping Affairs
		Cafeteria Amortization fund	Common Support Services
		Liquor Revolving fund	Common Support Services
		Others	Others