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Opening statement to the Fifth Committee

Introduction to the UN Board of Auditors second annual progress report on the United Nations Enterprise Resource Planning system (Umoja) (A/68/151)

2 December 2013

Dear Chairman,

Distinguished delegates

On behalf of the Chairman, Mr. Amyas Morse (UK), and the other Board members, Mr. Liu Jiayi

placed the project on a sounder footing. It has appointed an experienced project director, increased engagement between key stakeholders and the project, and strengthened project governance (**see Annex IV of the report**). There have also been major initiatives to catch up on lost time and complete the design and build of the technical solution (Get to Green and Get to Build paragraphs 65-68).

Progress has come at a cost, the project team is overstretched, and severely fatigued at a time when the challenge is about to increase exponentially. The Board has seen evidence of the high burden being placed on the Umoja project team to recover lost time. The high level of support provided to the pilot at UNIFIL (July 2013) is unsustainable once the first phase of full implementation starts in November 2013 across peacekeeping missions and then the wider UN in 2014.

Project management has improved but, as recognised by the project team, more needs to be done to face the coming challenges, For example, the project team has improved its approach to managing risks, in particular by formalising its reporting of risks to the steering committee. But we remain concerned that risks are still not being effectively managed, acted upon quickly enough, or being costed to support more effective consideration of their likely impact and decision-making on their handling.

The Administration has spent 55 per cent of the budget ($208.8 million). At the time of reporting the design was two thirds complete, and the system half built but not yet fully deployed (Table 1 at the end of this statement). There is still no integrated plan, linking spend to deliverables, making it difficult to judge what progress should have been achieved for the $208.8 million investment to date (paragraph 56). We cannot at this point provide assurance that the ERP project will successfully deliver its full functionality within the existing forecasts of time or cost.

On the procurement of services we conclude that the lack of an overarching commercial strategy at the outset of the Umoja project has led to difficulties in effectively engaging the market to secure optimal value for money from vendors. Since the audit, the Administration has informed us that it has presented to the steering committee a plan to develop a commercial strategy for the remaining procurements; we intend to return to this issue during our next audit.

into a phased, multi-site implementation, using multiple vendors, across both peacekeeping and the wider Secretariat. At this stage, however, due to the uncertainties

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Figure 1: Changes in the deployment timetable and anticipated final cost of Umoja

Table 1

Phase	Umoja Foundation	Umoja Extension 1	Umoja Extension 2
Scope	122 processes with functionality to support IPSAS requirements. Its scope includes: finance; procurement of goods and services; and assets, inventory and property management.	66 processes across human resources and travel. Its scope includes: organizational and position management, personnel administration, entitlements, benefits, time management, payroll, travel initiation, travel expenses and online booking. A self-service portal will also enable staff and managers to access and update personal information and submit requests, claims, and settlement forms.	133 processes with functionality related to budget formulation, force planning, programme management, supply chain planning, warehouse management, conference and event management, full grants management and commercial activities.
Design (% complete)	95%	86%	40%
Build (% complete)	90%	45%	0%