

United Nations  Nations Unies

BOARD OF AUDITORS

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Opening statement to the Fifth Committee

**Introduction to the UN Board of Auditors report on the implementation of
International Public Sector Accounting Standards (A/69/155)**

9 October 2014

Dear Chairman,

Distinguished delegates

On behalf of the Chairman, Sir Amyas Morse (UK) and the other Board members, Mr. Liu Jiayi (China) and Mr. Ludovick Utouh (Tanzania), I have the honour to introduce the report of the United Nations Board of Auditors on the implementation of the International Public Sector Accounting Standards (IPSAS).

The scope of this fourth progress report on IPSAS covers the nine funds and programmes that went IPSAS live in 2012; the UN and its peacekeeping operations; and the remaining entities in the Board's portfolio going live in 2014.

I would like to inform you that the Board of Auditors has undergone a change in its composition. In July this year, the Auditor General of the People's Republic of China was replaced by the Comptroller and Auditor General of India. This change in Board membership has had no impact on the responsibility for this report.

Key findings

By the end of 2014 all UN system entities, including the United Nations and its funds and programmes will have implemented IPSAS. The level of progress reflects the commitment and energy of the entities concerned and represents a major step towards a major IPrd b

The nine entities that implemented IPSAS in 2012 and the United Nations have all made further progress in developing and implementing benefits realisations plans. The results are not yet ready for reporting and the Board is encouraging the capture of both quantitative and qualitative benefits.

There is clear evidence that IPSAS implementation has led to improved financial management processes. The Board is seeing improvements in monthly and end year financial closure processes, and improved monitoring of key processes and controls.

enhance the frequency and quality of the financial information being provided to management. Information provided includes key performance indicators, financial ratios and the tracking of key account balances, for example, accounts payable and receivable to better manage funding pledges from donors. The next step for all entities is to use this new information to improve decision making and managerial oversight of operations; the Board will be looking for clear evidence of this in its future audits.

There is less evidence that the new financial information is as yet being used outside of finance units to drive improvements in business functions, operations and the more cost-effective delivery of mandates. One positive example, however, is the United Nations strategic capital review which is using new information on assets produced under IPSAS to propose a more cost-effective way of planning and prioritizing capital maintenance projects

run financial statements and the delay agreeing a methodology for estimating the value of inventory holdings for peacekeeping operations. The Administration is aware of these issues and is working to resolve them.

Major and as yet not fully resolved issues with financial transactions have emerged following the implementation of the United Nations new enterprise resource planning system in peacekeeping operations. During the previous peacekeeping financial period (2013