

**Statement on behalf of the Joint Inspection Unit
By Inspector Jorge Flores Callejas
68th Session of the Fifth Committee of the General Assembly**

**Item 134. Programme budget for the biennium 2014-2015
Umoja/ERP**

Mr. Chairman,

On behalf of the Joint Inspection Unit I have the honour to present the

This review is intended to assist organizations to improve their ERP as well as its benefits, regardless the phase of the life cycle the organization is in. It covers aspects such as implementation, use, maintenance, evolution, upgrade and extension.

It Also identifies system-wide opportunities to share, harmonize and standardize ERP operations between the organizations, share services or merge components of systems in order to maximize synergies across the system, and strengthen the position of the United Nations organizations in their relations with ERP providers.

Mr Chairman,

The review found that most United Nations organizations initially opted for a Cost ERP, as managers were reluctant to redesign business processes. At the time of the upgrade, they would re-implement or upgrade the system in a less customized manner, due to the high costs associated with the maintenance and upgrade of customized systems. The review also showed that high customization of ERP systems had a negative impact on ERP systems' usability and accessibility.

The review revealed that most organizations' ERP systems were implemented over budget and over schedule, as a result of weak project planning and management, including: inadequate definition of functional requirements, unrealistic budget and schedule, changes in the project's

to be omitted from ERP projects' budget, as well as the projection of maintenance and upgrade costs.

Mr Chairman,

Most organizations reviewed that have gone at least through their first upgrade reported that ERP

the review showed that although there is no coherent United Nations strategy regarding ERP implementations, ERP itself has led to a certain degree of harmonization of business processes across the United Nations system, due to a number of factors including: the implementation of less customized ERP systems over time, the convergence of functionalities offered by ERP providers and the possibility to integrate different systems. Nonetheless, the fact that organizations have different rules and regulations, charts of accounts and reporting practices continues to be one of the main issues preventing greater ERP coherence.

Mr. Chairman,

In general ERP systems had a positive impact on organizations in which they were fully implemented and have gone at least through one upgrade. ERP allowed the streamli