



PROGRESS REPORT ON POST IPSAS IMPLEMENTATION PROJECTS

1. During the 55th session of the Governing Council, the Secretariat described (document GC/55/14E) the requirement to invest in revising business processes and IT systems after the adoption of the International Public Sector Accounting Standards (IPSAS) in order to enhance efficiency and strengthen the oversight of financial management of the Agency, particularly for areas noted in the 2012 annual External Audit report.
2. Through Resolution GC/55/R17, the Governing Council acknowledged that an estimated amount of €400 000 would be required to support IPSAS implementation, releasing an initial budget of €200 000 to enable the Agency to initiate related assessments and procurement processes. The Governing Council requested the Director to provide a project update and confirm the required funding at its next regular session in May 2014.
3. The Agency has organized and managed the opportunity areas outlined in document GC/55/14E in five projects, as follows:
 - A. Human resource management related to employee benefits
 - B. SAP upgrade
 - C. Implementation of the HR Position Management Module
 - D. Implementation of enhanced functionalities of SAP
 - E. Asset Management
4. The status of these projects is summarized in Annex 1. Thus far, good progress has been achieved particularly for the first three projects. A total budget of €90 750 has been utilized, all of which spent or committed in 2014.
5. Since the financial proposals of the two main projects, i.e. the implementation of enhanced functionalities of SAP and the solution for asset management are still pending at the time of writing this document, the Agency is not currently in a position to confirm the required funding. Nonetheless, it is anticipated that the total cost of all five projects will be no less than our initial estimate of €400 000.
6. Accordingly, the Secretariat is requesting the Governing Council to release the budget of €200 000 remaining from the initial estimate to be used for the implementation of these five projects. The Agency will report on the use of these funds at the 57th session of the Governing Council.

Annex 1: Status of post IPSAS implementation projects

Project Description and Progress	Status	Utilized Budget
A. Human resource management related to employee benefits		
A-1. Leave management system with workflow automation was implemented since 1 January 2014. The system will be further enhanced during 2014 to provide functionality for automated valuation of Agency's liability toward accrued annual leave. Existing resources were used for this project.	In progress	0
A-2. Valuation of liability related to long-term employee benefits is carried out by the external actuarial company. To ensure continuity, the Agency signed a four-year contract with the existing actuarial company with negotiated pricing for the period 2015–2018.	Completed	€48 500
B. SAP Upgrade This is a pre-requisite for the implementation of HR Position Management and other enhanced functionalities of SAP. Procurement process was completed and the contract was awarded to the vendor that offered the lowest price. The upgrade is expected to be completed during the 2 nd quarter of 2014.	In progress	€34 800
C. Implementation of HR Position Management Module HR Position Management module will enhance budget management and internal controls. The implementation will be carried out by the same consulting company that originally implemented the HR module for IARC once SAP is upgraded to the latest version. The implementation is expected to be completed by the 3 rd quarter of 2014.	In progress	€7 450
D. Implementation of enhanced functionalities of SAP This includes system enhancements to ease the generation of statutory reporting, donor reporting, and management reporting, and implementation of additional functionalities to support project-based management. The procurement process took longer than anticipated as the Agency explored the opportunity for the adoption of a 'UN Template', a newly developed version of SAP, rather than the standard commercial SAP version. The fit-gap analysis had been completed with the report including a financial proposal still pending.	In progress	-
E. Asset Management Various options have been explored including enhancing the current SAP functionality, purchasing a standalone asset management system, and purchasing licenses for use of external asset management system. The final decision will be made in conjunction with Project D.	In progress	-
TOTAL		€90 750