



1 person forced to flee
is too many.



FINANCE AND OVERSIGHT

(A/AC.96/1111; A/AC.96/1111/Add.1)

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55th Standing Committee
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Voluntary Funds Administered by the High Commissioner Financial Statements for the year 2011

2011 – Financial Statements prepared under **UNASAS**

Three Statements:

Statement I – Income and expenditure and changes in reserves and fund balances

Statement II – Assets, liabilities, reserves and fund balances

Statement III – Cash flows

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Voluntary Funds Administered by the High Commissioner

Financial Statements for the year 2011

(in millions of US dollars)

Income and expenditure and changes in reserves and fund balances

Income:	2,171.0
Expenditure:	2,278.3

Assets, liabilities, reserves and fund balances

Assets:	627.3
Liabilities:	788.7
Reserve/fund balance:	(161.4)

Cash balance at year end: 534.9

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Financial Highlights of the Programme Budget Excluding Working Capital, Staff Benefit and Medical Insurance Plan Funds

- Contributions: **\$2,132.3 million**
 - 12% increase from 2010
- Expenditure: **\$2,181.1 million**
 - 16% increase from 2010
- Funds available: **\$2,413.1 million**
 - 63% of total requirements

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(I) General observations on the BoA report for year ended 31 December 2011 (A/AC.96/1111, A/67/Add.5 and A/AC.96/1111/Add.1)

- Unqualified audit opinion
- 33 recommendations
- UNHCR accepted all recommendations
- 25 outstanding recommendations from 2010 and previous years

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(II) Key findings by the Board (A/67/5/Add.5)

1. Preparation of financial statements
2. Financial management
3. Progress towards implementation of IPSAS
4. Organization risk management
5. Procurement

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(III) Measures taken by UNHCR in response to the recommendations (A/AC.96/1111/Add.1)

1. Preparation of financial statements

Board findings:

- UNHCR has strengthened its management review of financial statement preparation
- UNHCR has improved the audit trail supporting the financial statements

Actions:

- Detailed year-end closure instructions
- Statements are supported by detailed schedules and notes
- Preparation of pro-forma IPSAS financial statements for 2012

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2. Financial Management

Board recommendations:

- Establish tools/checklists for Implementing Partner verification
- Improve compliance with rules and procedures governing Implementing Partners
- Improve financial management and reporting capacity

Actions:

- New “Framework for Implementation with Partners”
- Creation of finance positions, training and review of job descriptions

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3. Progress towards implementation of IPSAS

Board recommendations:

- Enhance inventory systems and property asset management as well as controls for generating asset data
- Identify and document expected benefits from IPSAS implementation

Actions:

- Finalization of IPSAS compliant accounts policies / procedures
- Physical verification, valuation and recording of PPE and inventories
- Benefits of IPSAS identified and promoted
- Change management strategy and training initiatives
- Dry run on opening balances

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4. Organization Risk Management

Board recommendation:

- Proceed with the implementation of an organization-wide risk management approach

Actions:

- Concept paper on ERM endorsed by the HC in May 2012
- Initial resources allocated
- Testing the methodology, tools and learning materials prior to global roll out
- Draft risk register by year end

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5. Procurement

Board recommendations:

- Enhance professional competence and training among supply staff
- Develop strategy to support the field in procurement of key services
- Establish and use reliable supplier performance information
- Develop and maintain viable key performance indicators for procurement

Actions:

- Established action plan (incl. competency framework and training strategy)
- Rationalization of vehicle procurement
- Collation of supplier performance information
- Reviewing key performance indicators related to shipment tracking

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(IV) Conclusions

- UNHCR continued to work in difficult circumstances including some challenging rapid-onset crisis in 2011
- Implementation of action plans to address recommendations
- Progress made on bank reconciliations
- Progress made in preparation of high quality draft financial statements
- Preparatory work for IPSAS implementation has made significant progress
- UNHCR acknowledges the support of the Board

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