



1 person forced to flee
is too many.

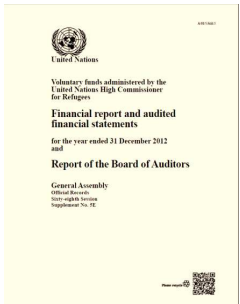


Finance and Oversight
(A/AC.96.1124; A/AC.96/1124/Add.1)

Ms. Kumiko Matsuura-Mueller
Controller and Director
Division of Financial and Administrative Management

58th Standing Committee
17 September 2013


agenda



IPSAS benefits realization
Financial statements
Key issues and measures taken
by UNHCR in response to
the Report of the Board
Follow-up of previous years
Conclusions

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IPSAS benefits realization

a) Benefits in financial management and reporting

- Enhanced quality and transparency of information
- Increased discipline in recording and reporting of financial transactions
- Increased training and capacity building in financial management of staff

b) Benefits in operations

- Improved management of inventories
- Better control, safeguarding and oversight of PPE
- Real-time and more appropriate recognition of expenses

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Financial statements for year ended 31 December 2012

Five Statements prepared under IPSAS ...

- I Statement of Financial Position
- II Statement of Financial Performances
- III Statement of changes in the Net Assets
- IV Statement of Cash Flow
- V Statement of Comparison of Budget and Actual Amounts

And Notes to the financial statements

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Financial statements for year ended 31 December 2012

Financial highlights...

Statement I – Financial Position	31 December 2012 (US\$ in million)
<i>Contributions receivable</i>	748.8
<i>Cash holdings</i>	431.2
<i>Inventories</i>	122.1
<i>Property, plant and equipment</i>	99.7
Total Assets	1,644.8
<i>Employee benefits</i>	570.2
<i>Accounts payable and accruals</i>	74.4
Total Liabilities	646.8
Total fund balances and reserves	998.0

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financial statements for year ended 31 December 2012

Financial highlights...

Statement II – Financial Performance	31 December 2012 (US\$ in million)
<i>Voluntary contributions</i>	2,411.4
Total revenue	2,436.9
<i>Implementing partner expense</i>	897.2
Total expenses	2,305.9
Surplus for the year	130.9

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Key issues and measures taken by UNHCR in response to the Report of the Board

Reference to following documents:
A/AC.96/1124 (A/68/5/Add.5); **A/AC.96/1124/Add.1**

- Unqualified audit opinion
- 27 recommendations in 2012
- 40 outstanding recommendations from 2011 and previous years

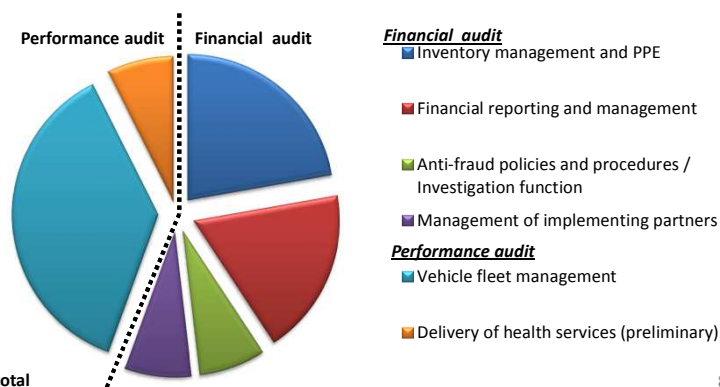
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Key issues and measures taken by UNHCR in response to the Report of the Board

Findings and recommendations in 2012...



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Key issues and measures taken by UNHCR in response to the Report of the Board

1. Implementation of IPSAS

Board findings:

- First IPSAS-compliant financial statements is a significant achievement
- UNHCR opted for the transition provision for recognizing PPE allowing five years to fully account for these assets



Actions:

- ✓ Benefits of IPSAS continuously followed up and reported
- ✓ Enhanced financial information
- ✓ Use of enhanced information to improve decision making and financial management (e.g. inventory, PPE, payroll and other employee benefits)
- ✓ Robustness of asset register and accuracy of inventory information at year-end

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Key issues and measures taken by UNHCR in response to the Report of the Board

2. Financial reporting

Board findings/recommendations:

- Enhance internal financial management reports to support informed management decisions



Actions:

- ✓ Quarterly senior management financial reports and analysis
- ✓ Enhance monthly financial report for country representatives with key indicators
- ✓ Upgrade of finance and supply chain module of UNHCR Enterprise Resource Planning system (PeopleSoft MSRP)

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Key issues and measures taken by UNHCR in response to the Report of the Board

3. Inventory data and management

Board findings/recommendations:

- Improve accounting of inventories
- Enhance inventory management system and procedures



Actions:

- ✓ Issuance of revised procedures (SOPs) on inventory management
- ✓ Training for UNHCR inventory focal points / supply staff in field operations
- ✓ Monthly inventory reconciliation in the field
- ✓ Quarterly physical count of inventories
- ✓ Enhance inventory management system to support more informed replenishment decisions (in particular for core relief items and improve quality of inventory data)

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Key issues and measures taken by UNHCR in response to the Report of the Board

4. Vehicle fleet management

Board findings/recommendations:

- Improve overall management of vehicle fleet
- Improve level of professionalism and specialist guidance on fleet management
- Improve vehicle deployment and use between countries



Actions:

- ✓ Global Fleet Management project start January 2014
- ✓ Develop comprehensive fleet management manual
- ✓ Support to country operations for redeployment of vehicles
- ✓ Revise chart of accounts for enhancing information on operating vehicle costs
- ✓ Rationalizing vehicle fleets

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Key issues and measures taken by UNHCR in response to the Report of the Board

Other recommendations...

Board findings/recommendations:

- Implement high level financial internal control framework
- Update anti-fraud policies and procedures
- Enhance IP management



Actions:

- ✓ Review of UNHCR financial internal control framework
- ✓ UNHCR strategic framework for the prevention of fraud and corruption has been reviewed and updated
- ✓ Analyse IP activity reports to better align instalments to IPs delivery

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Follow-up of previous years

Progress made in response to the recommendations of the BoA for 2011 and previous years...

- ✓ Organization wide approach to risk management (ERM)
- ✓ Managing partnership
- ✓ Procurement

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Conclusions

- The Board recognized that UNHCR is in a **good financial health**.
- UNHCR continued to work in difficult circumstances including some challenging rapid-onset crisis and recent large-scale displacements in 2012.
- Board considers that **UNHCR continues to respond positively to the concerns raised previously** although progress remain slow in some areas.
- Board recognizes that many **necessary improvements will take some time** to implement by UNHCR.
- UNHCR **successfully produced its first set of IPSAS** compliant financial statements which is a significant achievement.
- UNHCR acknowledges the **support of the Board**.

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THANK YOU

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