



Issues & Interests for 2017...

© UNHCR/Sebastian Rich

Mr Conor O'Neill
Head of Accounts Section, AFS
Division of Financial and Administrative Management

TFAS, Rome
2-3 October 2017



Issues & Interests for 2017... & Beyond

- IPSAS 14 BoA representation letter date
- IPSAS 31 Staff cost tracking
- IPSAS 35 Non-consolidation of national partners
- Future issues
 - IPSAS 37 Joint operations – Development contracts
 - Donor reporting – alignment with IPSAS delivery principles
 - Leases-systems to support future IPSAS lessee accounting

IPSAS 14 – Practical Issues

- Moving targets after BoA audit
- IP expense for reported/confirmed after BoA audit
- BoA – Account late reported expense as Prepaid/Accrued expense
- Monitoring “late news” until rep letter signed
- Private sector solution – sign rep letter on last date of audit field work

IPSAS 31 Staff Cost Tracking

- Prior assertion staff cost element not reliably measurable
- BoA rec. to systematically record staff costs
- Threshold for capitalisation IT Committee Approval Rqt
- Proj. Mgr to track estimated time - FTE days
- No timesheets requirement

IPSAS 35 Consolidation National Fundraising Partners (NFPs)

- Consolidation not desirable:
 - Tax risks for NFP's donor community
 - Information deficit for efficient consolidation
 - Incompatibility - system/culture/policy
- Consolidation necessary?
 - Power to direct?
 - Current/substantive rights to variable benefits
 - Ability to use power
- Mitigations
 - Review/modify existing agreements by Jan 1 2017 (transitional arrangements!)
 - Eliminate any/all board memberships
 - Change culture of engagement/interaction to support substance of agreements
 - Consult with auditor!

IPSAS 37 Joint Operations?

- Development contract (shelter solutions)
- Developer is a “Social Enterprise” - Breakeven intention
- Min. qty commitment (development paid through piece price)
- Avoid “Joint Operation” (rights and obligations to assets/liabs)
 - Procurement contract with strict product quality criteria and limited scope for pricing adjustments
 - Other customers needed for developer’s long term viability
- Side issue – bifurcate the unit purchase price and capitalise the development element?

Donor reporting – alignment with IPSAS delivery principles

- Inventory distributions-EC DG-ECHO
- CBI Year-end distribution obligations
- Results Based Financing- Revenue deferral?
- IPSAS Revenue Project

Leases ED

- Readiness for new lease accounting
- Data clean up project
- Lease accounting module in ERP
- Interest/Liability discount rate determination



Thank you

© UNHCR/Sebastian Rich

