

**APPROVED: IPSAS Adoption Steering Committee Meeting****Video Conference, Wednesday October 3rd 2007****9:00 am – 10:50 am (New York)****1 Introduction, Agenda and Minutes**

1. Mr. Jayantilal Karia welcomed the Steering Committee Members.
  - a) The meeting's agenda was confirmed.
  - b) It was noted that the participants list in the draft minutes from the September 12 meeting needed to be amended, for example by adding Mr. Jean Francois des Robert to the attendance list and by marking several attendees as absent.
  - c) Ms. Kashfia Mansur introduced herself to the Steering Committee as the IPSAS Coordinator at UNIDO.

**2 Review of Actions List and Priority Deliverables Report**

2. The Committee reviewed the actions list.

*Action Points from last meeting*

3. *Action point 3:* The letter to the auditors had gone out the day before with all the review papers attached. Since the focus needs to stay on the review process, a separate letter will be drafted and sent out in order to raise wider comments.
4. *Action point 5:* Since Ms. Stephenie Fox is currently on leave, emails have been exchanged between Mr. Matthew Bohun and Mr. Jayantilal Karia. Mr. Mike Hathorn's email response to Mr. Karia had been positive with respect to help being provided in order to resolve accounting issues.

*Action Points from other previous meetings*

5. *Action point 1:* ILO has confirmed that the work that has already been done so far in response to its letters is sufficient and no formal letter is needed. *Action point 2:* It was agreed that this point should be taken off the list, because IPSASB membership requirements had been clarified by Mr. Hathorn at a previous meeting. *Action points 3 & 4:* The work plan will be discussed later on in the meeting. *Action point 9:* The presentation from Deloitte has been included in the Task Force meeting agenda. *Action point 11:* This point is not urgent, but will be completed by the end of the year, because it needs to be completed before the next OECD accruals symposium in March 2008.

*Priority deliverables report*

6. The majority of progress has been with respect to training, accounting guidance, specifically the consolidation sub-project and progress with respect to resolution of the 3 outstanding issues (project assets, revenue recognition and expenses). Progress with these items will be discussed under later agenda items.
7. With respect to project infrastructure, two new team members will be coming on-board in the next few weeks.

### 3 External Review Process and Auditors

8. The set of documents for review had been completed along with the final version of the Statements of Issues. These are available on the CEB website. Letters were sent out to the Director of the Technical Department of the IPSASB and the Chairman of the Technical Group of the Panel of External Auditors requesting their views on the issues. The deadline for comment is 2 November. Mr. Karia will send out a further letter to raise wider concerns shortly. The Panel of External Auditors will have a meeting in the first week of December and has requested Mr Karia to provide it with a presentation on IPSAS adoption progress.
9. Concerns were expressed as to whether the Technical Group and IPSASB Technical Department would be able to provide feedback on the issues by November 2 2007 as expected and the willingness generally of the external auditors to provide formal comment. Mr. Karia will follow up on this matter.

#### **Action points:**

- Follow up on the ability of the Technical Group of the Panel of External Auditors and the Technical Department of the IPSASB to meet the 2 November deadline.

### 4 Consolidation sub-project

10. Mr. Warren reported on recent progress. A teleconference had been held with Deloitte: 76 questionnaires from 10 organizations had been received, 6 organizations have not replied (IMO, ITU, PAHO, UFP, UNOPS and WMO), and 5 other agencies that were not on the list were identified (ITO, OAS, UNAIDS, UN HABITAT and WTO TRADE). Organizations have identified controlled 36 organizations, 35 organizations that are not controlled, and 5 where the situation is unclear. Deloitte will analyze answers received more in depth. The project as a whole is going well.
11. Ms. Mija Jeon asked about the expectations on Deloitte: Will they review each organization's conclusions and the thought process followed by organizations? The 4 agencies identified in the project specifications (WHO, ICAO, UNDP and IMO) will be looked at more closely. Deloitte has been contracted to look 'in-depth' at 4 entities with guidance then piloted on a fifth (IMO), and the resulting understanding would inform guidance developed for the wider group of organizations. Deloitte appears to be willing to provide this review for all organizations, although the project specification required an in-depth review for only five organizations.
12. WHO, UNDP and UN reported on their experience with the consultants. WHO has been proactive in engaging Deloitte and this has worked well. The resulting analysis has prompted significant discussion within WHO, including high level debate. After some concerns initially UNDP has found Deloitte more responsive. Ms. Valencia Williams-Baker (UN) expressed some concerns at the progress of the consultants, and indicated that no in-depth analysis had been received so far. She also indicated that the communication with the consultants was insufficient.
13. These points had been discussed with Deloitte at the teleconference. An email had already been sent out to the four organizations for which in-depth analysis is expected reminding them of the expectations on Deloitte and that they also should be proactive

in engaging with the consultants on a bilateral basis. Mr. Warren and Ms. Jensen will have a follow up teleconference with Deloitte on or about October 22, which is the deadline for the first drafts of guidance and analyses. Mr Warren will send out a further e-mail to the 'in-depth' organizations on expectations on Deloitte and the need for 'in-depth' organizations to engage bilaterally.

**14. Action point(s)**

- Follow up teleconference with Deloitte regarding the consolidation sub-project (on or about October 22).
- Mr Warren will send out a further e-mail on expectations on Deloitte and need for 'in-depth' organizations to engage bilaterally.

**5 IPSAS training procurement**

15. A status report on training procurement including the results of the teleconference with Early Adopters and UNIDO were shared. After clarification of points raised at the previous meeting, organizations had been advised generally to *not* engage in IPSAS training procurement until after the UN bid closing date (October 11 2007). Issues arising to date include the scope of computer-based training and options for a more formal mechanism to involve organization in the training deliverables.
16. Mr. Daniel Bato indicated that since no training was expected before March 2008, other opportunities were being explored (computer based training, professors from American universities in Rome). UNIDO indicated that training will be on hold until the bid closing date. Mr. David Bowen indicated that FAO did not provide input to the training survey since the organization was not advanced enough in the planning to know what the training and communication needs were. However, a few workshops have started, and FAO should be able to contribute more effectively to the issues of communication and training soon. Budgeting and donor reporting are out of the scope for FAO's implementation of IPSAS by 2010.
17. Ms. Sandra Stewart indicated that while organizations have indicated a need for training in accrual budgeting and donor reporting, those two topics are not directly IPSAS related and therefore have been scoped out of the system-wide IPSAS training.
18. Mr. Karia indicated that these issues will need further review in terms of a harmonized approach for reporting purposes and they will be kept on the FBNetwork's agenda.

**6 Draft Work Plan 2007 - 08**

19. An initial draft of the system-wide project team's work plan was provided for Steering Committee review. In presenting the draft work plan Ms Gwenda Jensen emphasized the following points: A stable platform of accounting policies is now in place. This platform consists of the November 2005 Task Force decision to fully comply with IPSAS, approved accounting policies for all options in IPSAS, and approved recommended accounting practices for areas where further harmonization is possible. Further work on accounting guidance is required. The consultancy addresses consolidation and the three outstanding issues of revenue, expenses and project assets have been referred for external review. Other guidance issues will continue to be a significant part of the work plan going forward. However, a priority in this draft work plan is support for organizations' completion of critical implementation steps. This is

- in response to the findings in the IPSAS progress report that organizations need to make progress with critical implementation steps, such as development of detailed project plans. This draft plan also includes 50% of a staff member's time on the priority issue of budget implications. It was acknowledged that this is not the one full-time person identified as needed for this issue.
20. The Committee recognized that a stable platform of accounting policies is in place and that organizations are able to move ahead with implementation steps. However, responsibility for this resides with each individual organization, each of which is best able to understand their organization's specific needs. Therefore, the priority for the system-wide work plan should continue to be accounting guidance. The action points coming out of the April and June Task Force meetings need to be prioritized and completed. Guidance is needed on accounting for inter-family transactions (UNDP, UNHCR, and UNIDO); provisions for doubtful debts (FAO), and on in-kind donations and donor reports (IAEA).
  21. Mr Warren expressed concern that focus had been lost since the June Task Force meetings. There needs to be a macro-level description of where the project is going overall. Issues need to be brought to a conclusion with UN Guidelines to IPSAS as a publication being one possibility. The detailed findings on the impact of individual IPSAS - gathered through the IPSAS Checklists completed by organizations - are relevant to identifying areas where guidance is needed. The results from this analysis should be circulated to the Committee as input into the planning process. Geneva organizations are keen to know whether there are topics on which they could contribute.
  22. Mr Gary Eidet raised the importance of progress on the issue of accrual budgeting. Work on this issue needs to be accelerated 100%.
  23. Mr Karia stated that resolution of this issue will take a couple of budget cycles and that it could not be in place before 2010. The priority remains accounting guidance on already identified issues. Mr Karia stated that it is essential to stay focused on the remaining IPSAS guidance issues, which also need to be resolved as input into IPSAS training, and not lose our sense of urgency.
  24. Mr Bowen considered that each individual organization, rather than the system-wide team, is best placed to progress the critical implementation steps. The priority for the system-wide team should remain on accounting guidance, where many areas still need to be addressed. For significant issues consistency has not yet been reached. For example, there needs to be a consistent policy for provisioning of doubtful debts. The system-wide team has a role monitoring organizations' progress with respect to critical implementation steps, rather than developing system-wide solutions, which may not address organization specifics.
  25. Mr Bato stated WFP's agreement with the stable platform view. WFP has now configured its systems, which ipso facto means that the set of policies and practices approved in June is its stable platform. It is not possible for WFP to wait longer for Task Force consensus on outstanding issues. The main issue with which WFP could use guidance is the budget-actuals reconciliation required by IPSAS 24.

26. It is important to reactivate focus groups, circulate any draft guidance paper presently available, and identify whether organizations can take a lead and provide resources to address particular issues so that a joint effort between the system-wide team and organizations can be made.
27. The Steering Committee was asked to provide any further comments they may have on prioritization of accounting guidance issues. A further draft work plan will be prepared for discussion at the next Committee meeting.

#### **Action point(s)**

- Circulate the analysis of impact of individual IPSAS (gathered through the IPSAS Checklist) to the Committee.
- Steering Committee members to provide any further views on priority accounting guidance issues.
- A further draft work plan to be prepared for discussion at the next Committee meeting.

#### **7 November Task Force Meeting**

28. It was decided to postpone the Task Force meeting due to insufficient substance for a face-to-face meeting. A timeline for the next meeting will be determined together with the FBNetwork.

#### **8 Other Business**

29. An update on the internal audit meeting in Vienna was given: WFP was approached with a request to deliver a presentation (20 minute presentation, followed by a 30 minute question- answer session).
30. There being no other business, the meeting was adjourned at 10.45 am.

# United Nations Nations Unies

## IPSAS Adoption Project Steering Committee

Video-conference, Wednesday 3 October 2007

9.00 am to 10.45 am (New York time)

### Draft Agenda

		<b>Papers</b>
9.00 – 9.15	1) a) Introduction, draft agenda b) Confirmation of minutes from previous meeting c) Communication of Committee's discussions (minutes etc)	1) a) Draft Steering Committee agenda (provided) 1) b) Draft minutes (provided)
9.15 – 9.30	2) Review of actions list and priority deliverables report	2) a) Action list (provided) 2) b) Priority deliverables report (provided)
9.30 - 9.40	3) a) External Review Process - status (b) Auditors (Including letter to Ms. Massicotte ) Mr. Jayantilal Karia (verbal up-date,)	3) a) Letters to Ms Massicotte and Ms Stephenie Fox (provided)
9.40 - 9.50	4) Consolidation sub-project - status: Mr. Mark Warren (verbal up-date)	
9.50 - 10.00	5) IPSAS training procurement - status: Ms Sandra Stewart	6) a) Status paper (provided)
10.00 - 10.20	6) Draft Work Plan 2007-08: Ms Gwenda Jensen	7) a) Draft Work Plan 2007-08 (provided)
10.20 - 10.30	7) November Task Force Meeting: Mr. Jayantilal Karia	8) a) Draft Agenda (provided)
10.30 - 10.45	8) Other Business	

## IPSAS Project Steering Committee

### Chairman

Mr. Jayantilal Karia (UN)

### New York:

Ms. Clair Jones (UNICEF), Member (Apologies)

Ms. Diane Kepler (UNDP), Alternate (Apologies)

### Geneva:

Mr. Mark Warren (WHO), Acting Member

Mr. Nicholas Jeffreys (WHO), Alternate (Apologies)

Ms. Aurora Mendoza-Goudstikker (UNHCR)

### Rome:

Mr. Eric Whiting (WFP), Member

Mr. David Bowen (FAO), Alternate

### Vienna:

Mr. Gary Eidet (IAEA), Member

Ms. Amita Misra (UNIDO), Alternate

### External (London):

Mr. Mike Hathorn (MooreStephens UK and IPSASB)  
(Apologies)

### *In attendance:*

#### **New York**

Ms. Gwenda Jensen (Project leader, CEB)

Ms. Sandra Stewart (CEB project team)

Ms. Sarah Belmir (UN/CEB Project Team)

Ms. Unis (Valencia) Williams-Baker (UN)

Mr. Advit Nath (UNDP)

Ms. Donna Favorito (UNICEF)

#### **Rome**

Mr. Daniel Bato (WFP)

#### **Vienna**

Ms. Mija Jeon (IAEA)

Mr. George Perera (UNIDO)

Ms. Kashfia Mansur

#### **Geneva**

Mr. Jean-Francois des Robert (CEB project team)

Mr. Remo Lalli (FB Network, CEB)

Ms. Marie Jose Bofill (UNHCR)