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Program and Budget Committee

**Nineteenth Session
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FINAL PROGRESS REPORT ON THE IMPLEMENTATION OF IT MODULES TO ESTABLISH COMPLIANCE WITH THE NEW FINANCIAL REGULATIONS AND RULES (FRR) AND INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)

prepared by the Secretariat

I   BACKGROUND

1.   At the forty-third session of the Assemblies (September 24 to October 3, 2007), the Member States agreed in principle to the adoption by the World Intellectual Property Organization (WIPO) of International Public Sector Accounting Standards (IPSAS) by 2010 (document A/43/5). This agreement formed part of a United Nations system-wide initiative endorsed by the General Assembly (document A/RES/60/283 (IV) 1) to replace the existing United Nations System Accounting Standards (UNSAS) with IPSAS which are internationally recognized. The benefits of the change included improved internal controls and transparency, more comprehensive information about costs and income and improved consistency of financial statements over time and across different organizations.

2.   At the thirteenth session of the Program and Budget Committee (PBC) in December 2008 the Secretariat presented its "Proposal for the Implementation of IT Modules to Establish Compliance with the New Financial Regulations and Rules and IPSAS: Procurement, Asset Management and other System Requirements for IPSAS Compliance" (document WO/PBC/13/6(d)). The proposal included information on the status of IPSAS implementation, indicating that the project was at that time behind schedule and that efforts would continue in order to prepare for IPSAS implementation in 2010 (document WO/PBC/14/6). A budget contained within the proposal detailed the resources required to meet the goals of both IPSAS compliance and the implementation of the Financial Regulations and Rules (FRR). The PBC recommended approval of the proposal to the Assemblies along with an appropriation of 4,200,000 Swiss francs and the recommendations were approved at the forty-sixth session of the Assemblies in December 2008 (document A/46/6(d)).

3.   At the fourteenth, fifteenth and eighteenth sessions of the PBC in September 2009, September 2010 and September 2011 respectively, the Secretariat presented a "Progress Report on the Implementation of IT Modules to Establish Compliance with the new Financial Regulations and Rules and IPSAS", providing information on the status of the project and the costs incurred to date. The PBC took note of these reports and its recommendations were approved at the forty-seventh, forty-eighth and forty-ninth sessions of the Assemblies in, respectively, September 2009 (document A/47/9), September 2010 (document A/48/15) and September 2011 (document A/49/9). A closure report concerning the implementation of the proposal (known as the 'FRR-IPSAS project') follows.

II.   FRR-IPSAS PROJECT CLOSURE

4.   WIPO operates a PeopleSoft Finance and Budget system (AIMS). With the introduction of the new FRR and the desire to comply with IPSAS the proposal presented to the PBC (document WO/PBC/13/6(d)) included the introduction of additional PeopleSoft modules and the modification of existing solutions to enable compliance with FRR and IPSAS at the start of the 2010-11 biennium.

5.   As part of the FRR-IPSAS project WIPO aimed to achieve the following benefits:

- –   Compliance with IPSAS through enhanced functionality;

- –   Implementation of FRR based on an electronic automated solution;

- –   Introduction of best practice procurement based on a more effective and simplified means of requisitioning and purchasing;

- –   Integration between procurement and financials;

- –   Improved budget monitoring and control;

- –   Initiate staff development through the introduction of best practices based on an ERP solution.

The above benefits have been achieved and will continue to be enhanced through the ongoing development of the solution.

6.   Project go-live took place on January 15, 2010, (on-time, within budget and with no major problems). Post go-live support and stabilization has been in operation since January 15, 2010 and the solution is now stable. As part of the post go-live support and maintenance a series of reviews were held with users which identified a number of enhancement opportunities. These enhancements were developed and delivered as a Phase II project in 2010 and 2011 (financed from the FRR-IPSAS project budget).

7.   A number of enhancements requested have also been delivered through standard functionality when AIMS was upgraded to PeopleSoft v 9.1 and PeopleTools 8.51 (partly and fully financed from the FRR-IPSAS project budget respectively).

8.   An external audit was performed on the project and the results were presented in early 2012. As part of their work, the auditors interviewed many of the staff involved with the project, including users of the new system. They also attended a user training session on the financial closure in order to familiarize themselves fully with the users' experience of the purchasing module. The resulting report was positive overall, finding that the project had been well managed and confirming that the work had been completed on time and within budget. The auditors made three recommendations, all of which were accepted by the Secretariat as very pertinent observations on areas in which further work was required. These recommendations

concerned the need to review the existing approach to training in order to improve its effectiveness, the efficiency of reducing the number of users to a more appropriate level and the simplification of the catalogues from which goods and services are selected for purchase. The Secretariat is currently engaged in addressing all three recommendations.

9.   The lessons learned from the FRR-IPSAS project have been applied to other ERP projects to help WIPO continually improve, in particular the "Implementation of a Comprehensive Integrated Enterprise Resource Planning System" (document WO/PBC/15/17(e)) which was approved at the fifteenth session of the PBC.

10.   There follows a summary of the balance of funds remaining at the end of the project:

FRR-IPSAS Project Cost Tracking
(in Swiss francs, as at 17/02/2012)

Cost Element	Project Budget	Actuals	Final Balance
Software Acquisition	280,879	255,392	25,487
Project Personnel	888,000	790,571	97,429
User back-filling resources	606,000	595,386	10,614
External Implementation Partner	2,036,100	2,198,663	(162,563)
Training	190,000	46,470	143,530
Communications and other	50,000	19,546	30,454
Scope Contingency	150,000	125,320	24,680
Total	**4,200,979**	**4,031,348**	**169,631**

11.   In addition to the funding from the reserve fund decided upon by the Assemblies, a total of 417,075 Swiss francs was expended from the approved program and budget during the period November 2007 to December 2011. This amount covered the cost of the consultant assisting with the development of IPSAS policies and procedures, the implementation of various modifications in AIMS required to provide the specialized reporting mandated by IPSAS, consulting services related to the valuation of WIPO buildings and WIPO owned land, a physical verification of WIPO equipment by an external company and the cost of four days of training by an IPSAS expert from PricewaterhouseCoopers.

12.   The project closed in February 2012 and, as shown in the table above, it closed within its original budget. The unspent balance of 169,631 Swiss francs has been returned to the reserves following the external audit.

13.   The Program and Budget Committee is invited to recommend to the Assemblies of the Member States of WIPO to take note of the contents of the present document.

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