



United Nations  
Educational, Scientific and  
Cultural Organization

Organisation  
des Nations Unies  
pour l'éducation,  
la science et la culture

Organización  
de las Naciones Unidas  
para la Educación,  
la Ciencia y la Cultura

Организация  
Объединенных Наций по  
вопросам образования,  
науки и культуры

منظمة الأمم المتحدة  
للتربية والعلم والثقافة

联合国教育、  
科学及文化组织

## Report by the Director-General on the execution of the programme (34 C/5) (01 January 2008 – 31 December 2009)

### **Accounting, treasury management and financial control**

## Part III – Support for Programme Execution and Administration

Paragraph 14005

### III.D – Accounting, treasury management and financial control

Regular budget: Activities (rounded to \$ thousand)	
Planned: \$ 2 660	Actual: \$ 3 052

34 C/5 Expected Results	Achievement(s)	Challenges/ Lessons Learnt	Cost- Effectiveness	Sustainability
Integrated financial management and reporting systems in place;	<ul style="list-style-type: none"> <li>Financial system improved by the roll out of FABS MM and TV modules to regional and Cluster Offices.</li> </ul>	<ul style="list-style-type: none"> <li>Need to monitor the use of the new tools and provide backstopping to our field colleagues</li> </ul>		
Risk-based internal control systems established across the Organization;	<ul style="list-style-type: none"> <li>Establishment of “Internal Control Policy” framework and undertaking of training initiatives across the Organization to foster the principles of risk based controls</li> </ul>	<ul style="list-style-type: none"> <li>Within this new approach, the requirement to review policies associated with each financial process so as to introduce a risk-based approach</li> </ul>		
Financial reporting carried out in a timely manner and audited financial statements produced for certification by the External Auditor;	<ul style="list-style-type: none"> <li>Quarterly financial reporting produced through out the biennium</li> </ul>	<ul style="list-style-type: none"> <li>Production of financial statements still ongoing. The challenge is to ensure a clean certification by the External audit.</li> </ul>		
Financial resources of the Organization managed in an effective and efficient manner, in line with the Financial Regulations and Financial Rules;	<ul style="list-style-type: none"> <li>Financial resources managed in accordance with UNESCO's investment policy</li> </ul>	<ul style="list-style-type: none"> <li>The conservative investment policy has allowed to safeguard UNESCO's assets throughout the worldwide financial and economic crisis</li> </ul>		
Implementation of the IPSAS project prepared, leading to its full adoption by 2010.	<p>UNESCO went live with IPSAS in January 2010 as planned:</p> <ul style="list-style-type: none"> <li>UNESCO specific main IPSAS policy papers providing detailed and practical guidance for IPSAS implementation are all finalized and reviewed by the Steering Committee.</li> <li>IPSAS trainings aiming to inform staff members who are directly or indirectly involved in processing information required in the preparation of the Financial Statements are completed. More than 200 AOs and AAs had attended the classroom trainings organised in Headquarters and field offices. To extend the basic understanding level of IPSAS to a wider audience, including all staff members and permanent delegates, an online training package prepared by the UN is available on BOC web site.</li> <li>Following a specific request of the External Auditors in the report on financial statements, a simulation of an IPSAS-based presentation of the financial statements for 2006-2007 has been completed.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure the most accurate Opening Balances as of 1 January 2010 are available by the end of the first quarter.</li> <li>Revise Financial Rules during 2010 once some practical experience has been obtained operating under IPSAS and when roles and responsibilities have been redefined following planned changes that may be introduced by the new Director-General. The revised Financial Rules could be presented at the autumn session of the Executive Board in 2010.</li> <li>Produce a clear chart of accounts for the presentation of the financial</li> </ul>		

34 C/5 Expected Results	Achievement(s)	Challenges/ Lessons Learnt	Cost- Effectiveness	Sustainability
	<ul style="list-style-type: none"> <li>The Financial Regulations have been revised in order to accommodate certain changes introduced with full accrual accounting; approved by the 35th GC session.</li> </ul>	<p>statements.</p> <ul style="list-style-type: none"> <li>Coordinate the implementation of IPSAS with the Institutes.</li> <li>Ensure that UNESCO has the necessary in-house knowledge and expertise to maintain the application of IPSAS going forward.</li> <li>Develop training programs, maintenance of support documentation and an effective helpline mechanism.</li> <li>Publish the UNESCO Policy Guidance Manual for IPSAS.</li> </ul>		