



UNDP in the process of adopting International Public Sector Accounting Standards (IPSAS).

International Public Sector Accounting Standards are independently-developed financial reporting standards widely considered best practice for public sector organizations, as they impose the most stringent requirements of clarity and transparency. Over 50 governments have adopted IPSAS or are in the process of doing so. IPSAS standards are also used by the North Atlantic Treaty Organization (NATO) and the Organization for Economic Cooperation and Development (OECD), and they are supported and promoted by the World Bank. The European Commission (EC) also uses IPSAS-like standards. IPSAS standards are based on full accrual accounting, in contrast to the United Nations System Accounting Standards (UNSAS) we currently use, which are based on a modified accrual method.

In 2006, donors along with the other countries of the UN General Assembly, passed resolution 60/283, mandating IPSAS adoption by all United Nations bodies. Our improved financial reporting will enable them to see more clearly how their donations are being used. UNDP, UNFPA and UNOPS report jointly on the status of their IPSAS adoption programmes to each session of the Executive Board.

IPSAS is intended to improve the way UNDP reports and manages its work. It will not change the substance of that work. IPSAS adoption will lead to no reduction in national programmes. The adoption of IPSAS entails a significant and fundamental change in UNDP's accounting business processes and financial reporting. IPSAS compliance will ensure that UNDP's financial reports will give a complete and accurate picture of its financial situation. Therefore, adopting IPSAS will mean:

- Improved accountability, as we will be providing a complete and accurate view of UNDP's business and performance
- Greater transparency over the use of resources given to us by donors and liabilities
- Greater credibility, as we will be using the same accounting standards as many governments.
- Improved overall management and planning as a result of more precise estimates of income and expenditure

- Improved programme management, as IPSAS supports the results-based management approach
- Harmonization of reports and statements across the UN system. This will enhance UN's ability to act in unison towards key global objectives, including the Millennium Development Goals.

For more info on IPSAS implementation please go to:

<http://www.undp.org/about/ipsas/index.shtml>