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农业组织   United Nations   et l'agriculture   Объединенных Наций   Alimentación y la Agricultura   للأمم المتحدة

FINANCE COMMITTEE

Hundred and Fifty-fourth Session
Rome, 26 - 30 May 2014
Progress Report on the Global Resource Management Programme

Queries on the substantive content of this document may be addressed to:

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EXECUTIVE SUMMARY

➢ This document provides a status report on progress made by the Global Resource Management Programme during the period September 2013 to March 2014 and plans for the period from April to September 2014. The status report covers the following components of the Programme:

- Global Resource Management System (GRMS) Post-Implementation Support;
- FAO Manual;
- IPSAS Implementation.

➢ Key achievements during this reporting period included the transition from the programme to the on-going GRMS operations team in the Information Technology Division (CIO), ensuring continuing stability of the system as well as the implementation of further business process improvements in GRMS;

➢ Activities in support of IPSAS implementation are on track, with the first set of IPSAS-compliant Financial Statements to be prepared for the financial year commencing 1 January 2014.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

➢ The Committee is invited to take note of the information presented in this document.

Draft Advice

➢ **The Finance Committee reviewed document FC154/12 which provided a status report on progress made by the Global Resource Management Programme during the period September 2013 to March 2014 and plans for the period from April to September 2014.**

➢ **The Committee welcomed the successful transition from the GRMS programme to on-going operations to ensure stability of the system and encouraged the Secretariat in its continuing efforts to introduce further improvements to the system.**

➢ **The Committee noted that activities to support IPSAS implementation were on track with the first set of IPSAS-compliant Financial Statements scheduled to be prepared for financial years commencing 1 January 2014.**

BACKGROUND

1.   At its 151st Session in November 2013, the Finance Committee reviewed a status report on progress made by the Global Resource Management Programme during the period February to August 2013 and plans for the period from September to December 2013.

2.   Based on its review of the progress presented, the Committee welcomed the successful deployment of the Global Resource Management System (GRMS) to FAO offices worldwide as planned within budget and requested the Secretariat to notify the Committee of any additional future funding requirements identified in relation to implementation of the programme.

3.   This document provides a status report on progress made by the Global Resource Management Programme during the period September 2013 to March 2014 and plans for the period from April to September 2014. The status report covers the following components of the Programme:

- Global Resource Management System (GRMS) Post-Implementation Support
- FAO Manual
- IPSAS Implementation

GRMS Post-Implementation Support

4.   During the reporting period the post-implementation support team established within the Information Technology Division (CIO) addressed worldwide system stabilization issues, while maintaining the system operational at agreed (or better) levels of availability and performance for the user community.

5.   A number of business process improvements, including deliverables pending from the main GRMS implementation and deployment phases during 2012-13 were delivered based on a work plan endorsed by the established governance mechanism (GRMS Steering Group).

6.   Key progress made between September 2013 and March 2014 included:

- Support was provided for administrative year-end activities associated with GRMS with all activities completed successfully;
- Support was provided to Human Resource reform initiatives through the introduction of various improvements to the system.   This included enhancements to the PEMS process based on the revised competency framework which enabled timely completion of the 2014 PEMS work-planning cycle. Significant changes were also introduced to support the implementation of Standard Operating Procedures (SOPs) and the improved FAO roster;
- Pending functionalities in the Travel and Non-Staff Human Resources (NSHR) modules were successfully deployed.
- System changes were introduced to accommodate changes to FAO travel policies and the system to support the processing of entitlement travel is expected to be implemented in the current biennium
- Electronic Funds Transfer functionality was implemented in four additional countries during the reporting period (Nepal, Swaziland, Lesotho, Egypt);
- A number of streamlining opportunities were identified and delivered, including financial and Human Resource interfaces with the Pension Fund allowing for timely delivery of data from GRMS to the United Nations Joint Staff Pension Fund (UNJSPF);
- Enhancements and changes were introduced to GRMS based on the findings from the first dry run performed of IPSAS financial statements.

7.   The main activities planned between April and September 2014 include:

- Continued stabilization of the system;
- Further adjustments to the system based on findings from the IPSAS dry runs.
- Completion of pending system activities required to support preparation of the first full set of IPSAS compliant financial statements for 2014;
- Work on the entitlement travel functionality;

- Continued support to HR reform activities;
- Implementation of Electronic Funds Transfer functionality to thirteen additional countries;
- Implementation of further streamlining opportunities.

Challenges and Risks

8.   Key challenges and risks identified in the area of GRMS Post-Implementation Support include ensuring that adequate GRMS production support and governance arrangements are in place across all business units involved. A specialized assessment is being commissioned to help define these arrangements for the long term, taking into account the recommendations of the Inspector General for the reduction of associated risks.

Programme Governance

9.   The GRMS Steering Group continued to meet during this period. The group endorsed an initial work plan for 2014 delivery as well as activities to be presented to the Capital Expenditure Management Board as requests for funding from the Capital Expenditure Facility.

10.   The Programme Executive Board continued to meet with a focus on its governance responsibilities for the IPSAS implementation project.

Programme Budget

11.   The final amount reported as spent under the GRMS Programme budged for 2011 was USD 10 million. In 2012-13, USD 27.3 of the approved programme budget was spent (USD 25.4 million under Capital Expenditure and USD 1.9 million under Functional Objectives X and Y). This brought the total programme spend during the period 2011 to 2013 to USD 37.3 million compared to a total programme budget of USD 38.5 million.

12.   Resources from the 2014-15 Capital Expenditure appropriation have been allocated for GRMS stabilization, including addressing issues observed during the post-GRMS deployment period with the travel and financial reporting modules: USD 1.3 million has been approved for activities in 2014; and a further USD 0.7 million tentatively earmarked for 2015.

FAO Manual

13.   The FAO Manual project, was restarted in June 2013 following the request made by the 145th session of Council in December 2012; it was completed successfully as planned at the end of December 2013. The project followed an approach similar to the one adopted by the Mexican Government: it consolidated and simplified information, provided easier access through a web-based platform, and defined a process for ongoing updates.

14.   There were three key outputs delivered as per the agreed scope: the first deliverable was the new online FAO Handbook, which now encompasses all FAO Manual rules and related information resources, including procedures, system guides, administrative circulars, and any other relevant document. The FAO Handbook is available to all FAO offices through a link on the home page of the FAO Intranet, and includes business areas as follows: Organization & Services, Procurement & Letters of Agreement, Finance, Travel, Human Resources, Projects, Programme & Budget, Information Technology, and Transparency & Accountability.

15.   The second deliverable was the 'Streamlining Compendium', a collection of more than one hundred major business improvement proposals obtained during the course of the FAO Manual updates from multiple sources, including an intranet forum which was open to all FAO employees. These improvements are currently being reviewed for implementation.

16.   The third deliverable was a set of 120 Standard Operating Procedures (SOP) for the provision of Human Resource services by the Human Resource Division and the Shared Services Centre. These improved procedures helped streamline the provision of Human Resource services to employees across all offices, increasing transparency and ensuring standardization of processes. There were 190

additional proposals for change identified as part of this activity, that will continue to be analyzed for possible implementation.

17.   Procedures have been established for the ongoing update of the FAO Handbook and the Corporate Services department is now in charge of its maintenance.

IPSAS Implementation

18.   Activities to support IPSAS implementation are on track. Following the implementation and deployment of IPSAS compliant systems and processes to FAO Offices world-wide during 2012-13, work during 2014 is now focussed on completion of the remaining activities required to support the preparation of the first set of IPSAS-compliant Financial Statements for the financial year commencing 1 January 2014.

19.   Key progress made between September 2013 and March 2014 included:

- The biennial-end closure process was completed successfully and the financial statements were submitted to the External Auditor in accordance with the time limits set out in the Financial Regulations.
- The second dry run of stock taking procedures to support the valuation of inventory opening balances was completed across FAO Offices worldwide. Missions were undertaken from HQ to support the stocktakes in high value and high risk locations.
- A stocktake of all FAO offices was undertaken at 31 December 2013 to support preparation of IPSAS opening balances for the valuation of inventory.
- The first dry run of a full set of IPSAS financial statements was completed using financial information as at 30 June 2013, enabling the finance division to validate the completeness of its procedures for financial statement preparation.
- The finance division and information technology division continued to collaborate to finalize the remaining system deliverables which will support the preparation of IPSAS compliant financial statements.
- As part of data quality and assurance efforts, reconciliations were completed for 100% of FAO bank accounts as at 31 December 2013.

20.   The main activities planned between April and September 2014 include:

- Preparation of IPSAS compliant opening balances as at 1 January 2014 as the first step to a full set of IPSAS compliant financial statements for 2014.
- Review and audit of the IPSAS compliant opening balances by the external auditor.
- Initiation of work on the second dry run of a full set of IPSAS compliant financial statements using data as of 30 June 2014, testing procedures, processes and data quality.
- Completion of the remaining IPSAS compliance system deliverables.
- Ongoing review of Trust Fund agreements as part of the preparation of opening balances and in preparation for revenue recognition reporting.
- Continually monitor data and transactions to ensure that data quality will support accurate financial reporting for 2014.

Challenges and Risks

21.   The Secretariat continues to monitor and take action on the challenges and risks identified for IPSAS Implementation and which have been reflected in the reports of the Office of the Inspector General and the External Auditor. In addition to the activities outlined above, key actions being taken during 2014 to address IPSAS implementation risks include:

- **Governance:** Regular meetings are planned for the Programme Executive Board (PEB) on IPSAS oversight, including the review of the status of implementation of recommendations of the Inspector General and reduction of associated risks.

- **Milestones:** The work is managed through a detailed plan regularly updated to reflect dependencies and deadlines. Implementation progress is regularly reported to the Project Executive and PEB.
- **ERP dependencies:** All system related requirements are monitored closely and resource allocation has been prioritized to IPSAS related activities.
- **Data quality**: Business process owners will perform monitoring and control activities to ensure data quality.