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**Statement By Stephen Lieberman, Minister Counselor,
on
Agenda Item 130:
Umoja/ERP and IPSAS
Before the Fifth Committee
November 16, 2012**

Thank you, Mr. Chairman.

The United States would like to thank Under Secretary General for the Department of Management Mr Yukio Takasu for introducing the Secretary-General's fourth progress report on the Umoja enterprise resource planning project and Assistant Secretary General and Controller, Ms. Gina Casar for introducing the IPSAS report. In addition, we thank Mr. Collen Kelapile, Chair of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), and Mr. Hugh O'Farrell of the Board of Auditors, for introducing their respective reports on this subject.

Mr. Chairman, my delegation notes the encouraging transition this project has undergone over the last year. We applaud Under-Secretary-General Takasu and Assistant-Secretary-General Baca for taking ownership of this project and assuming responsibility for its success. We also appreciate that Umoja project leadership has accepted all of the recommendations of the Board of Auditors and are progressing on implementing those recommendations. These are encouraging signs that the Secretary-General and his senior management team are seriously working to bring this project back on track to be completed as close as possible to the time frame and budget originally envisaged.

Nonetheless, Mr. Chairman, even as we appreciate all of the progress in the technical aspects of Umoja we are seriously concerned that the Organization is not yet prepared to adopt Umoja. As

Mr. Takasu briefed us on 8 October this is the highest risk factor that may impede successful project completion. We agree that the Organization must prepare every entity to embrace Umoja and adopt an operating model with a single common set of processes. To that end, we strongly encourage the Secretary-General to continue efforts to not only implement the project technically, but perhaps even more importantly, to instill in all parts of the Organization an understanding and appreciation that Umoja is more than just an IT project—it is business a transformation project.

Mr. Chairman, we concur with the ACABQ that “full implementation of the project is in the best interest of the Organization and paramount in order to avoid risk and to protect the investment already made by Member States in this initiative, as well as to realize all of the benefits of the project.” We note that the fourth progress report presents an implementation schedule that has been extended beyond its original time frame and that the follow on phases of Umoja Extension 1 and Extension 2 may require additional resources. We stress that the Umoja Foundation must be kept within budget. Once the exact financial requirements are known for Extension 1 and 2, we will closely scrutinize those requests with the goal of maintaining the overall resource envelope already approved for this project. In this regard, we look forward to hearing about the Working Group’s efforts to identify preparatory activities and indirect costs related to the implementation of Umoja and how they might be addressed within the various Department budgets across the Organization.

Regarding the Board of Auditors report on Umoja, we note that the project is in a much different place than when the Board of Auditors conducted their review. We encourage the Secretariat to continue implementing the recommendations of the Board of Auditors including those related to identifying benefits to be realized through implementation of Umoja, development of a business transformation strategy, establishment of controls that provide assurances that the project will be completed as envisioned and improvement of the governance structure. These are important recommendations that are pertinent to sustain improvements in management of the project.

Mr. Chairman, while much has been done to get this project back on track, we still have a long, tough road ahead and we Member States must stay engaged and maintain oversight of this

foundational project. This project not only has implications for the Organization's business practices, but for other important initiatives such as implementing International Public Sector Accounting Standards (IPSAS). IPSAS is critical to ensuring the quality, comparability, credibility and transparency of financial reporting across the United Nations system. We note the findings of the Board of Auditors and are concerned with the risks they have identified for IPSAS implementation. We look forward to learning more about the IPSAS transition plan as Umoja is incrementally deployed.

Mr. Chairman, my delegations remains committed to working with all our colleagues to ensure successful completion of this project.

Thank you Mr. Chairman.