



# IPSAS Update

October 2017 IPSAS Taskforce

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## 2016 financial statements year

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- Unqualified audit opinion
- Continued improvement in quality of financial statements
- No **key audit findings** noted in the IPSAS compliance area
- Observations noted in:
  - fundraising activities; investment management; inventory management; procurement and contract management; supply management; internal audit and investigations; and programme
- Last minute surprises in areas such as Workers' compensation valuation and UNJSPF disclosures

# Main changes in UNICEF Financial Statements

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- End of IPSAS transitional provisions - additional 6,000 assets added to the financial records.
- ASHI investments managed by external fund manager included for the first time - expanded financial instrument disclosures.
- Segment note change - Regional split of expenses by segment.
- New IPSAS standards formally adopted on joint activities.

# Other areas of audit concern

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## Financial accounting recommendations included in audit report

- Services in Kind
- Revenue recognition
- Fully depreciated assets still in use
- Value added tax exemption
- Alternate payee – HACT transfers

## Other observations of concern noted during audit

- Discounting of receivables
- Review of actuarial valuation roll over data
- Expensing of IP advances at issuance
- Provision for refunds to donors

## Current ongoing IPSAS activities

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- Revenue recognition policy revision
- Disclosure of services in kind – SIK collection included in closure process
- Proper planning on ASHI data audit to ensure consistent with process

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Month Year

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