

---

## **Management reforms: progress report**

### **Report by the Secretariat**

1. This document summarizes progress made since the report to the tenth meeting of the Committee.<sup>1</sup> It focuses on the Global Management System (WHO's enterprise resource planning system), the Global Service Centre and the implementation of the International Public Sector Accounting Standards.

#### **THE GLOBAL MANAGEMENT SYSTEM AND THE GLOBAL SERVICE CENTRE**

2. The Global Management System began operating on 1 July 2008 in WHO headquarters, its outposted offices, the Global Service Centre and the Regional Office of the Western Pacific (including the country offices in that Region).

3. After initial difficulties (as noted by the Committee in the last two sessions), the Secretariat has made steady progress in enhancing the System and adjusting it so as better to meet the needs of the Organization. In recent months work has concentrated on stabilizing the System, including fixing bugs and making planned enhancements, with the aim of ensuring that the System is ready to support the next phases of its introduction. Work has also been done to clarify processes, roles and responsibilities in the new business model.

4. A comprehensive review process has been set up to guide the further introduction of the System. Progress has been measured against three markers: stability of the System; readiness of the Global Service Centre in Kuala Lumpur to absorb an increased work load; and the preparedness of the regions concerned, especially in terms of the content and format of data being standardized in readiness, business changes and staff training. Even though further work remains to be done, progress has been made in all three areas. Consequently, the Secretariat plans to implement the Global Management System in the Eastern Mediterranean Region, the European Region and the South-East Asian Region on 1 January 2010 and in the African Region later that year.

5. In preparation for implementation of the System in January 2010, several functions were introduced in the three regions concerned in late 2009, including (i) payroll of staff with temporary contracts, (ii) the supplier database and (iii) the self-service module that enables staff members to

---

<sup>1</sup> Document EBPBAC10/2. The report of the Committee was noted by the Executive Board (see document EB125/2009/REC/1, summary record of the first meeting, section 4).

access their personal details and payment information. Additionally, all the three regions have undertaken their operational planning for the biennium 2010–2011 in the System. Intensive training has been organized for staff members to ensure that they possess the necessary skills to operate the System and understand the new business processes.

6. For the Global Service Centre the two criteria against which its readiness for extension of the use of the System has been measured are adherence to processing transactions as expressed in service-level agreements and the attainment of standard response times to service requests from users. Good progress has been made in performance in these areas over the past months and it is foreseen that the current service levels can be maintained when the three additional regions begin to use the System. Three factors contribute to this expectation, namely, more experienced staff in the Service Centre, a better performing system and improved data inputs from the end users. In the future, increased attention will need to be placed on developing quality standards for the operations of the Global Service Centre.

7. Overall, although the full benefits of the Global Management System have not yet been realized, it has already brought many benefits to the Organization. For example, access to, and quality of, information for reporting and decision-making have improved; the use of the System effectively supports greater budgetary discipline and reduces processing time for routine transactions; and accountability for decisions can now be more readily enforced.

8. At the same time, however, it needs to be recognized that further challenges lie ahead. Experience of more than one year of the Global Management System has revealed requirements for enhancements that will improve its user friendliness and simplify the process flows. In addition, sustained change-management efforts, including additional training and effective communication, are required to ensure that the System and the new service-delivery model will be fully institutionalized in the Secretariat and that the Organization will reap the full benefits.

## **INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS**

9. As part of its modernization programme, including essential operational systems in support of the results-based management, and in line with similar initiatives throughout the United Nations system, WHO began in 2008 to implement the International Public Sector Accounting Standards (IPSAS) in accordance with resolution WHA60.9. The move to these Standards serves to provide better-quality financial and budget reporting based on the delivery principle and complete disclosure of all assets and liabilities that will improve comparability, transparency and accountability and support better decision-making and enhanced governance.

10. WHO's 2008 financial statements are presented in the IPSAS format, although some of the figures contained therein are not compliant with IPSAS. For example, fixed-asset balances which must reflect the values of all WHO longer-term assets such as buildings, office equipment and vehicles or employee future liabilities need to be fully recognized.

11. The complexities of implementation of the Standards and the need to update computer systems have resulted in the postponement by many bodies in the United Nations system of the original target of full implementation by 2010. WHO leads nearly all other United Nations bodies by having become partially compliant in 2008 and almost fully compliant with IPSAS by 2010. Difficulties remain in a few areas, notably fixed assets and inventories, because of resource constraints (WHO is unique among United Nations bodies in not having a dedicated IPSAS implementation project team) and with

data issues resulting from the phased introduction of the Global Management System. Nevertheless, WHO expects to be fully IPSAS compliant in the biennium 2010–2011 as required by Financial Regulations 13.2.<sup>1</sup>

**ACTION BY THE PROGRAMME, BUDGET AND ADMINISTRATION COMMITTEE**

12. The Committee is invited to note this report.

= = =

---

<sup>1</sup> See document WHA62/2009/REC/1, Annex 2 for text of Financial Regulations revised in accordance with resolution WHA62.6.