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Agenda item 126

**Administrative and budgetary aspects of the financing  
of the United Nations peacekeeping operations****Progress in the implementation of the field assets  
control system\*****Report of the Secretary-General***Summary*

The present report is submitted pursuant to General Assembly resolution 56/290 of 27 June 2002, requesting the Secretary-General to provide an update on the implementation of the field assets control system (FACS) to the General Assembly at its fifty-seventh session.

The present report outlines the progress achieved since the last report to the General Assembly, on the implementation of the field assets control system, contained in document A/55/845 of 20 March 2001, taking into consideration the comments of the Advisory Committee on Administrative and Budgetary Questions and the Board of Auditors in their reports.

In order to further improve property management, the FACS system is to be phased out by mid-2004 and will be replaced by an enhanced system, called Galileo.

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\* The present report was delayed in order to allow a review of the Galileo project documentation and prototype by mission and Headquarters personnel.

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## **I. Background**

1. The present report is submitted pursuant to General Assembly resolution 56/290 of 27 June 2002, whereby the Assembly requested the Secretary-General to provide it with an update on the implementation of the field assets control system (FACS) at its fifty-seventh session.
2. The present report outlines the progress achieved since the last report of the Secretary-General to the General Assembly on the implementation of FACS (A/55/845 of 20 March 2001) and takes into consideration the recommendations contained in the reports of the Advisory Committee on Administrative and Budgetary Questions<sup>1</sup> and the Board of Auditors.<sup>2</sup>
3. As noted in the report of the Secretary-General of 31 July 1997 (A/51/957), FACS was developed by the Department of Peacekeeping Operations to provide an auditable chain of accountability for United Nations-owned assets from their initial procurement through their final disposal in line with financial rule 105.20 and administrative instruction ST/AI/374. The system was initially designed to overcome the difficulties associated with non-expendable property management as outlined in the report of the Secretary-General of 29 May 1996 (A/50/965).

## **II. Status of the implementation of the field assets control system**

4. The report of the Secretary-General of 20 March 2001 on the progress in the implementation of FACS (A/55/845) provided information on the status of the implementation of the system as at December 2000. In that report the Secretary-General noted that the system had not been implemented in five missions. By April 2001 FACS had been fully implemented in the outstanding missions and has subsequently been installed in all new missions from their inception.
5. In reviewing the report of the Secretary-General, the Advisory Committee requested in its report of 3 August 2001<sup>3</sup> that steps be taken to ensure that in all the services of the missions there are personnel who are qualified to use and maintain the system so as to avoid disruptions resulting from the frequent rotation of military and civilian staff. The Department of Peacekeeping Operations has since placed considerable emphasis on training and system support and has trained 1,170 personnel since the last report to the General Assembly.
6. In addition to on-site training programmes, the Department of Peacekeeping Operations has also established a help desk within the Communications and Information Technology Service of the Logistics Support Division to provide additional support to both users and system administrators in a centralized, cost-effective manner.
7. In its report of 4 February 2002<sup>4</sup> the Board of Auditors expressed concerns regarding, inter alia, variances between the closing balances and subsequent opening balances presented in sequential year-end inventory reports and discrepancies in the information used to determine the underlying value of the non-expendable property. The Board was unable to obtain assurance as to the reasonableness of the reported values for non-expendable property.

8. In its most recent report the Board of Auditors noted that the Administration had taken steps to address the differences in the closing balances for the period ended 30 June 2001 and opening balances as at 1 July 2001 and that there had been a significant improvement in property management reporting.<sup>5</sup> The Board commended the Administration for the steps taken in this regard.

9. In paragraph 62 of its report of 5 April 2002 (A/56/887), the Advisory Committee requested that a review be made of the many databases that have been or are being developed, with a view to ensuring that they are compatible and interactive and that they can be used with optimal effectiveness. The Advisory Committee also noted that the full potential of systems, such as FACS, was not being realized.

10. As part of an information technology review the Communications and Information Technology Service of the Department of Peacekeeping Operations undertook a comprehensive review of all databases and systems. Part of this review included an analysis of FACS to determine the feasibility of its integration with other major systems in the field, including the Mercury procurement system. The review identified a number of technical issues to be addressed. At the same time, as part of the development of strategic deployment stocks, a comprehensive review of user requirements and subsequent analysis concluded that there were functional requirements that were not fully provided by FACS.

11. To address these issues and the requirements of effectively managing the strategic deployment stocks, the Logistics Support Division has been working closely with field missions and other parties to enhance systems and related procedures, taking into consideration the information and communications technology strategy outlined in the report of the Secretary-General of 20 November 2002 (A/57/620).

### **III. Upgrading the field assets control system: Galileo**

12. Noting the additional requirements requested by users of the FACS system and taking advantage of technological innovations, the Communications and Information Technology Service has decided that the FACS system should be phased out by mid-2004 and replaced by an upgraded system, Galileo.

13. The Galileo system is web-based (.NET) and uses structured query language. Galileo builds on the existing functional design of FACS to minimize retraining costs, while including additional data-management, analysis and reporting tools so as to provide more effective, reliable and timely information management and enhance data exchange and reporting.

14. The use of the .NET Platform will allow Galileo to be centrally managed and administered from the United Nations Logistics Base at Brindisi, Italy, and United Nations Headquarters, reducing the need for dedicated system administration in each field mission. The web-based system will enhance the ability of the Logistics Support Division to effectively monitor property records and management and will allow other field missions to review the property registers of existing missions to maximize the use of the Organization's assets. The web-based system will also enhance real-time reporting and will be more intuitive and user-friendly so as to

ensure that it can be used by a wide variety of users without entailing major retraining costs.

15. The enhanced system will incorporate elements of FACS, the material request and release order system and the field expendables supply system, and, in subsequent releases, a number of other functional packages, such as the fleet maintenance system and the vehicle maintenance and repair system. The Galileo system has been designed and tested for integration with the Mercury procurement system and the Integrated Management Information System so as to allow information relating to property management to be electronically imported, thus improving the integrity of data in related records. By incorporating the various databases and systems into one suite and enhancing interoperability and connectivity with existing information systems, the Department of Peacekeeping Operations will follow the recommendations of the Advisory Committee contained in paragraph 62 of its report of 5 April 2002 (A/56/887).

16. A number of user-review sessions conducted in New York, at the Logistics Base at Brindisi and in the United Nations Interim Administration Mission in Kosovo have allowed end-users to participate fully in planning the systems upgrade. Further review sessions are planned for April 2003 in New York with the Headquarters elements of the Department of Peacekeeping Operations and the Department of Management, including the Accounts Division and Procurement Division, to ensure that the needs of the system's stakeholders are fully considered and included.

17. The Galileo system will be implemented at the Logistics Base at Brindisi in July 2003 and at United Nations Headquarters in August 2003, and will subsequently be deployed in all current missions from September 2003 to March 2004. During the implementation period the Department of Peacekeeping Operations will operate both FACS and Galileo and provide support for both systems. As part of the implementation programme, a training team will be made available to each field mission and headquarters offices to ensure that training services are available. Once Galileo has been fully implemented in all missions, FACS will be decommissioned. The current FACS help desk will provide both FACS and Galileo support until FACS is phased out.

#### **IV. Financial year-end inventory reporting**

18. As referred to in paragraph 8 above, the Board of Auditors noted improvements in the management of non-expendable property, compared with performance in prior years. These improvements are the direct result of the additional scrutiny that the Logistics Support Division has brought to bear on this issue, as well as the cooperative efforts of the Department of Peacekeeping Operations and the Department of Management.

19. The Logistics Support Division continues to work closely with the Department of Management and the management of field missions to further improve the reliability of data on non-expendable property, including information on write-offs and disposal of property in line with all applicable financial regulations and rules.

## V. Conclusions and recommendations

20. Taking into account the concerns of the Advisory Committee and the General Assembly, as well as the observations of the Board of Auditors, the Department of Peacekeeping Operations, in conjunction with the Department of Management, has made considerable efforts to improve property management and reporting by addressing policy, management, systems and reporting issues.

21. The Department of Peacekeeping Operations, in cooperation with the Department of Management, will continue to closely monitor the situation to ensure that control and reporting related to non-expendable property continue to improve.

22. In support thereof, an enhanced system for property management is under development and is expected to be implemented by mid-2004, after which FACS will be phased out.

23. It is recommended that the General Assembly take note of this report.

### *Notes*

<sup>1</sup> See *Official Records of the General Assembly, Fifty-sixth Session, Supplement No. 7 (A/56/7)* and A/56/887.

<sup>2</sup> See *Official Records of the General Assembly, Fifty-sixth Session, Supplement No. 5 (A/56/5)*, vol. II, and *Official Records of the General Assembly, Fifty-seventh Session, Supplement No. 5 (A/57/5)*, vol. II.

<sup>3</sup> *Official Records of the General Assembly, Fifty-sixth Session, Supplement No. 7 (A/56/7)*.

<sup>4</sup> *Ibid.*, Supplement No. 5 (A/56/5), vol. II.

<sup>5</sup> *Ibid.*, Fifty-seventh Session, Supplement No. 5 (A/57/5), vol. II, chap. II, para. 29.