General Assembly

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Programme budget for the biennium 2014-2015

Strengthening property management at the United Nations Secretariat

Report of the Secretary-General

Summary

      The implementation of major administrative reform initiatives at the United Nations Secretariat, such as the adoption of International Public Sector Accounting Standards (IPSAS) and Umoja, has increased the scope and complexity of financial reporting, record-keeping and management of the diverse portfolio of assets held by the United Nations. Those initiatives are set against a background of concerns expressed by oversight bodies on the need to strengthen the management of United Nations property.

      The present report describes the changes being made in property management at the United Nations Secretariat pursuant to implementing the adoption of IPSAS and required as a result of the progressive implementation of Umoja.

      The report describes improvements made to the framework for the management of property, encompassing governance, policy, processes, systems and resources. The report also outlines a plan for the efficient and effective management of property across the United Nations Secretariat. The next steps involve establishing dedicated central and regional capacities, revising responsibilities, implementing training and certification programmes and establishing compliance monitoring of property management operations across all Secretariat departments and duty stations.

      The General Assembly is requested to take note of the report.

Contents

I. Definition of property

1.　In the context of the present report, "property" refers to tangible assets owned or controlled by the Organization comprising real estate, including land, buildings (including property, plant and equipment), leasehold and leasehold improvements and infrastructure; assets in the course of construction; and equipment. The responsibilities of the Office of Central Support Services also encompass intangible assets and inventory. Inventory, in particular, represents a significant asset of the Organization, especially in terms of peacekeeping operations, and hence its governance and management is frequently undertaken coextensively with that of property, and it is often referred to in the same vein.

2.　The responsibility for developing policy for the intangible property categories of procured and in-house-developed software will be delegated to the Chief Information Technology Officer from the Assistant Secretary-General of the Office of Central Support Services.

United Nations System Accounting Standards versus International Public Sector Accounting Standards

3.　Formerly, under the United Nations System Accounting Standards (UNSAS), property was not capitalized and not subject to depreciation, but was expensed when purchased. The Organization disclosed the total value of "non-expendable" property (see paragraph 5 below) at the original acquisition cost in the notes to the financial statements. Most "self-constructed assets" were not tracked, and major overhauls including substantial improvements to assets were expensed as incurred.

4.　Under the International Public Sector Accounting Standards (IPSAS), property is capitalized and depreciated over the useful life of each asset category. Reconciliations of beginning balance and ending balance of property, including additions, disposals, depreciation and impairment, are required in the notes to the financial statements. Costs related to self-constructed assets should be tracked and capitalized if asset recognition criteria are met, major overhauls including substantial improvements to assets should be capitalized and impairment losses should be recognized in the period they occur.

United Nations System Accounting Standards and "non-expendable property"

5.　Under UNSAS, the assets of the Organization were defined as either expendable or non-expendable. Non-expendable property was classified under one of three categories: (a) property or equipment valued at $1,500 or more at the time of purchase with a service life of at least five years; (b) special items considered to be of an attractive nature and easily removable from the premises costing $500 or more with a serviceable life of at least three years; and (c) group inventory items with a serviceable life of five years or more, irrespective of value.

II. Introduction

6.　The United Nations property managed at United Nations Headquarters, offices away from Headquarters, regional commissions, peacekeeping operations and other field missions are an essential component of the capability of the United Nations to fulfil its mandate and to function effectively. Those assets represent a significant

investment by Member States and require an enhanced management framework to ensure that the property is well managed throughout maintenance, utilization, accounting, control and disposal.

7.   IPSAS and Umoja will enhance transparency and accountability and deliver more comprehensive and consistent information to management, which will increase the ability of the Organization to translate data and facts into informed policy and decision-making. However, that also increases the scope and intricacy of financial reporting and record-keeping associated with United Nations property.

8.   The present report describes the changes that are being made to the framework for the management of the property of the United Nations Secretariat as a result of the implementation of IPSAS and the practical implications of supporting sustained IPSAS compliance, which requires new technical expertise to be mainstreamed into the operational structures of the Secretariat. It also explains requirements in the management of property data as Umoja is progressively implemented across the Secretariat.

III. Background

Findings and recommendations of oversight bodies

9.   The management of property at the United Nations Secretariat has been the subject of repeated audit concerns. In 2008, the Board of Auditors in paragraphs 177 to 186 of its report (A/63/5 (Vol. I)) expressed concern over the reliability of data on non-expendable property. In 2012, the Board, in paragraphs 45 and 51 of its report (A/67/5 (Vol. I)), recommended that, to be ready for IPSAS implementation, the United Nations review and improve its real estate asset records with respect to land and buildings, with a view to assigning a valuation to individual buildings prior to 1 January 2014, and that generally, the Administration, as part of its preparations for the implementation of IPSAS, consider how it should strengthen internal controls within the existing inventory management system, with clearly defined processes and responsibilities for asset owners. The Administration agreed with those recommendations.

Interdepartmental working group on property management

10.   In response to the audit concerns, in December 2008 the Assistant Secretary-General for the Office of Central Support Services established an interdepartmental working group on property management. The working group was tasked with reviewing policy, processes and systems related to property management in the light of the resolution of the General Assembly to implement IPSAS (see resolution 60/283).

11.   The working group included representatives from the Office of Central Support Services, the United Nations Office at Geneva, the Office of Programme Planning Budgets and Accounts including the IPSAS team, the Headquarters Property Survey Board, the Umoja team and the Field Budget and Finance Division and Logistics Support Division of the Department of Field Support. At later stages, the interdepartmental working group was expanded to include all offices away from Headquarters and regional commissions as well as representatives from the Department of Safety and Security, who were also included to discuss matters related to the investigation of property loss.

12. One of the early tasks of the property management working group was to develop the terms of reference so that consultants would draw on practical knowledge and experience from the industry to assist the Organization in its preparation for the adoption of, and compliance with, IPSAS. The consultants examined governance, policy, processes and systems relating to the management of property, and were tasked to develop a road map for property management in anticipation of IPSAS adoption and Umoja implementation. A first report was issued in December 2011 covering Headquarters property management, and a second report was issued in August 2012 covering offices away from Headquarters, regional commissions and field missions.

Findings from the review of readiness for IPSAS and Umoja

13. The consultants examined the Secretariat processes for property management at Headquarters and visited the United Nations Office at Geneva, the United Nations Logistics Base in Brindisi, Italy, and the United Nations Stabilization Mission in Haiti to conduct interviews with staff who have responsibilities for property management.

14. In the context of the implementation of IPSAS adoption and Umoja, the key findings were that property life cycle management was fragmented and there was a lack of a single property management organization across the United Nations Secretariat.

15. The consultants found a lack of uniform policy, inconsistent application of existing policies and processes and a lack of training on property management, as well as shortcomings on inventory controls at Headquarters, offices away from Headquarters and regional commissions. Systems were found to be inadequate to support property management processes and the collection of data for IPSAS. The culture regarding policies and systems to promote greater utilization of owned assets was noted to be weak and there were inconsistent definitions of asset manager functions. All that resulted in the poor quality of property data.

16. Having compared existing property management processes and IPSAS readiness at Headquarters, offices away from Headquarters and peacekeeping operations with industry benchmarks,[1] the key recommendation was that a central property management unit should be created, with responsibilities across the Secretariat. The property management unit would be tasked with creating a single property management framework and programme for the whole Secretariat.

Programme of action for the establishment of the new property management framework

17. Based on the detailed recommendations of the review, the interdepartmental working group determined the following key programme tasks in order to establish a comprehensive, long-term property management framework for the Organization:

(a) Defining and implementing an asset life cycle view of property management;

(b) Developing a single property management manual;

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[1] The consultants benchmarked United Nations Secretariat policies and processes against different representative entities, including the World Food Programme, two federal agencies, a defence ministry, the European Commission, the European Space Agency, other European agencies, one large private sector organization and an industry market basket.

(c)   Providing guidance to implementing offices at Headquarters, offices away from Headquarters, regional commissions and field offices regarding the consistent application of property management and IPSAS policies and the transition to Umoja;

(d)   Providing central oversight over the creation of asset records;

(e)   Developing a database of continuously evolving standard operating procedures;

(f)   Developing key performance indicators for consistent performance measurement;

(g)   Developing clear definitions of property management functions, roles and responsibilities;

(h)   Developing policies, processes and enforcement measures to promote greater utilization of assets, including land, buildings and leasehold improvements;

(i)   Implementing a communication structure to share policy guidance with implementing offices, as well as issues, risks and best practices with senior management;

(j)   Implementing inventory controls for Headquarters, offices away from Headquarters, regional commissions and field operations;

(k)   Developing training and certification materials in coordination with the Office of Human Resources Management.

Impact of the International Public Sector Accounting Standards and Umoja on property management

18.   With regard to the immediate requirements for the successful implementation of IPSAS adoption and Umoja, the following critical activities were also identified by the interdepartmental working group:

(a)   Introducing data capture and the tracking of land, buildings (including property, plant and equipment), leases and leasehold improvements, infrastructure and assets in the course of construction;

(b)   Developing high-level guidance on the valuation of the above-listed assets for IPSAS;

(c)   Ensuring data readiness for IPSAS opening balances and Umoja.[2]

19.   The main impact of the implementation of IPSAS on the management of property is that IPSAS defines new and expanded categories of property on which the Secretariat did not previously report, and IPSAS requires different valuation methods. Under IPSAS, the Secretariat now has to completely capture and report on real estate including land, buildings and infrastructure, leases and leasehold improvements; assets under construction; equipment; intangible assets; and certain

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[2] As regards inventories, the moving average price has to be maintained by Material Type, and the lower of cost or market assessment must be determined for financial reporting purposes. IPSAS also imposes strict requirements on the time of recognition, reflecting the IPSAS delivery principle, and on the time of de-recognition of property assets once there is no further future economic benefit or service potential of the property to the Organization.

categories of inventories, including materials not in use, deemed relevant from a financial reporting perspective.

20. IPSAS also requires a number of new processes: capitalization, the attribution and regular review of estimated useful lives, depreciation, the recognition and recording of impairment, the write-off/de-recognition of property and annual physical verification. Major owned buildings also need to be divided into components where the useful lives of different components are substantially different.

IV. Establishment of the new property management framework for the United Nations Secretariat

Working subgroups and interim capacity for property management

21. Late in 2012, the interdepartmental working group decided on the broad approaches to be used to tackle the work ahead. Working subgroups were established, drawing on representatives from various offices to deal with specific areas:

(a) The regulatory subgroup dealt with policy, the delegation of authority and the development of generic job profiles for asset accountants;

(b) The real estate subgroup dealt with policy and procedures for real estate valuation for IPSAS opening balances, an IPSAS-related component-based approach for major owned buildings, temporary buildings and infrastructure, the data capture of real estate and Umoja real estate catalogues;

(c) The equipment and inventory subgroup dealt with those areas.

Property management capacity

22. For peacekeeping operations, the Management Support Section of the Logistics Support Division in the Department of Field Support had established dedicated capacity (see figure 1), although that was for logistics support and not for asset accounting.

23. Property management at Headquarters was undertaken by the Property Management and Inventory Control Unit (PMICU) in the Office of Central Support Services. The Unit consisted of one professional staff member at the P-2 level, assisted by one General Service staff member (Other level). The Unit was responsible for the management of property and furniture at Headquarters. The workload of the Unit was split into dealing with property management approximately half of the time and dealing with furniture management the other half.

24. With regard to the offices away from Headquarters, prior to the efforts to prepare IPSAS opening balances, the responsibilities for managing property were typically assigned to administrative assistants, who would focus on that for the purposes of drafting the notes to the financial statements on non-expendable property (see paragraph 5 above) under UNSAS.

25. An interim Property Management Unit was established in the Office of Central Support Services, through the redeployment of existing resources, to organize and coordinate the work programmes of the working subgroups. The Unit consisted of a chief of unit at the P-4 level who also organized the work of the regulatory working

subgroup, a real estate professional at the P-3 level who organized the work of the real estate working subgroup and a property management professional at the P-3 level who organized the work of the equipment and inventory working subgroup. The three professionals were assisted by two general service staff members.

26. At the offices away from Headquarters and the regional commissions, for the preparation of property data for IPSAS opening balances and for Umoja implementation involving data capture, cleansing and enriching, those duty stations similarly assigned additional resources on an ad hoc basis, without which those challenging tasks could not have been successfully achieved.

Progress to date in establishing the new property management framework

27. The interim Property Management Unit in the Office of Central Support Services, in consultation with the working subgroups, has developed a revised harmonized administrative instruction on property management, revisions to the delegation of authority incorporating guidance on de-recognition and write-off to comply with IPSAS de-recognition, guidance on the serialization of equipment, real estate valuation methodologies for land, infrastructure and buildings, the Umoja real estate catalogue to support the creation of material master record data (see paragraphs 40 to 42 below), and templates for component-based approaches for buildings and leasehold improvements. The Unit has also developed generic job profiles for fixed asset management officers at the P-3 and P-4 levels and the template for assets under construction.

28. As the Organization was capturing and valuing real estate property for IPSAS purposes in 2013 for the first time, and these values were substantial in dollar terms and significant for the balance sheet, additional validation measures were sought. The application of the real estate valuation methodology to the values reported for Headquarters, offices away from Headquarters and regional commissions was validated by the interim Property Management Unit in the Office of Central Support Services, and the application of the methodology for field operations was validated by the Property Management Unit in the Logistics Support Division in the Department of Field Support.

Revised harmonized policy on property management

29. One of the known challenges was that the Secretariat had two different policies: an administrative instruction (ST/AI/2003/5) for property management at Headquarters and offices away from Headquarters and an administrative instruction (ST/AI/374) that applied to field missions. In the light of the different timelines for IPSAS and Umoja implementations, it has been necessary to harmonize the policy covering peacekeeping and non-peacekeeping areas. An interim administrative instruction has therefore been developed for all duty stations, which reflects the IPSAS requirements. The administrative instruction will be modified once Umoja is deployed to reflect the way Umoja recognizes property, which is by nature and not by value thresholds. Offices will adopt the final version of the administrative instruction as Umoja is rolled out at all locations, including at field missions.

30. In addition to the IPSAS requirements, the interim and final versions of the new administrative instruction on property management will also define controls for stewardship applying to non-capitalized assets. Non-capitalized are assets with values that fall below the capitalization recognition threshold. The Secretariat

considers the stewardship of non-capitalized assets to be an integral part of good governance.

Revisions and extensions to the delegation of authority for property management

31. Processes for the write-off and disposal of property were principally captured in the personal delegations of authority for property management issued by the Assistant Secretary-General of the Office of Central Support Services to heads of departments and directors of administration at offices away from Headquarters and regional commissions. Delegations of authority to field missions are from the Assistant Secretary-General for Central Support Services through the Under-Secretary-General of the Department of Field Support to directors of field missions. The delegations of authority also refer to the relevant administrative instruction. In March 2014, the Office of Central Support Services issued revisions to the delegations of authority to reflect IPSAS requirements for property asset recognition and de-recognition, and for write-offs and write-downs in cases of impairment.

Creation of generic job profiles for fixed asset management officers

32. As stated above, IPSAS introduces new valuation processes in relation to property management. The valuation processes of capitalization, impairment and review of useful lives constitute a new area of expertise for the Secretariat. It was recognized that asset accounting functions involved expertise in both property management and in accounting. A decision was made that those responsibilities should fall under the authority of the Assistant Secretary-General of the Office of Central Support Services. Those asset accounting responsibilities have been captured under new generic job profiles for fixed asset management officers at the P-3 and P-4 levels. With the creation of the job profiles, which were promulgated in January 2014, property management implementing duty stations, including field missions, will be able to recruit and select candidates once posts are proposed and approved by the General Assembly.

Readiness for the implementation of International Public Sector Accounting Standards adoption and Umoja

33. Readiness and implementation activities are described extensively in the respective annual progress reports on the adoption of IPSAS and on Umoja. In terms of property management, it has been noted that real estate was perhaps the major IPSAS implementation challenge, as a comprehensive inventory was not previously maintained of real estate assets and there was no supporting legacy information system. To support IPSAS compliance in asset accounting in field missions, the asset management functionality of the Galileo Inventory Management System was enhanced to provide additional asset accounting capabilities and an IPSAS-compliant method of calculating depreciation.

34. With regard to accurate opening balances, field missions have collected, cleansed, codified and are maintaining an extensive inventory of self-constructed assets, leases and donated right-to-use arrangements. The self-constructed assets are valued centrally by the Property Management Unit in the Logistics Support Division of the Department of Field Support.

35. For field missions, key performance indicators for IPSAS compliance have been established and are monitored regularly for critical property management

activities such as the physical verification of assets, the review and reconciliation of asset discrepancies and write-offs. Those are monitored by the Property Management Unit in the Logistics Support Division of the Department of Field Support.

V. Future actions to be taken for the property management framework

36. As the elements of the new property management framework, namely, revised policies and procedures, training programmes and key performance indicators, are developed, the focus of the central Property Management Unit in the Office of Central Support Services shifts into providing implementation guidance, "day 2 accounting", property data governance and maintenance and compliance monitoring. When Umoja is implemented across the Secretariat and the change impacts of managing property in Umoja are well understood, the work of the central Property Management Unit will shift to a more regular mode of work. In the light of the Umoja implementation schedule, that situation is expected to prevail after the beginning of 2016.

37. The above-mentioned activities are in addition to the extensive activities related to IPSAS compliance discussed elsewhere in the present report.

Development of key performance indicators for performance and compliance monitoring

38. One of the required tasks in setting up the new property management framework and programme is to establish a performance management programme, with Secretariat-wide key performance indicators and compliance monitoring across the Organization to ensure consistency, promote and enhance the utilization of property and improve accountability. It is only after Umoja is fully implemented, and standardized processes with the establishment of clear roles and responsibilities are put in place, that a full programme of key performance indicators can be developed. For comparison, it is worth noting that with the Galileo System in operation, it took approximately five years for the Department of Field Support programme of key performance indicators for property management to evolve to the current state of maturity. Given the current Umoja implementation schedule, it will not be possible to start developing the full, Secretariat-wide key performance indicators programme until 2016.

39. The training and certification programme for all staff who have responsibilities related to property management will need to be implemented and the mechanisms for central compliance monitoring will need to be activated.

Management and maintenance of Umoja master data

40. The implementation of Umoja creates a platform for consistent property management implementation across the Secretariat. The single, integrated Umoja solution enables visibility of the complete life cycle of property from requisition to disposal. The material master records concept is core to supporting property

management standardization, thereby ensuring common nomenclature and standardizing contract management and reporting across the Organization.[3]

41. Material master data include global indicators identifying which items are to be serialized upon receipt so they can be managed individually. The continuous management and long-term maintenance of the material master data is, therefore, a critical tool for overall property management. Serialization of an individual item allows for the recognition, tracking and maintenance of materials through Umoja and provides an indicator of the need for operational stewardship of those items. Serialization is based on the type or nature of the item according to the item's description, rather than by transaction value thresholds.

42. The central governance structure and mechanism for material master data maintenance must be retained after the implementation of Umoja to ensure that property data are updated in a standardized manner across the Organization. It is envisaged that the interim Property Management Unit in the Office of Central Support Services will need to continue to undertake a pivotal role with respect to that function.

VI. Resource capacity for property management in the United Nations Secretariat

43. In line with industry best practices, while the new property management requirements resulting from IPSAS and Umoja involve the centralization of policy and processes, the responsibilities for the management of property, including property recognition, valuation, tracking, impairment, physical verification, depreciation, de-recognition, write-off and disposal remain fully delegated to the heads of departments, offices away from Headquarters and the directors of field missions. Those implementing offices at Headquarters, offices away from Headquarters and field missions are the custodians of property under their control; all of those functions will continue to be performed at the departmental, office or duty station level.

44. Noting that the responsibility for IPSAS-based financial reporting and accounting policy resides with the Office of the Controller, after full implementation of IPSAS and Umoja, the roles and responsibilities of the various property management resources will be as follows.

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[3] Prior to Umoja, core data resided in many disparate applications and databases that were not integrated or interfaced with other applications, therefore there was no single authoritative source for master data objects, as the decentralized legacy systems architecture did not lend itself to that purpose. In that environment, it was potentially possible that multiple instances of the same data element were created in each system, each in a different way, as standards were not in place and therefore their uniqueness and consistency could not be enforced systematically. Establishing a master data management program is a major organizational initiative, as it crosses programmatic activities and geographical regions. Best practices recommend that it be implemented in phases, following a scalable model over a period of time in terms of data domains, geography, departments and business functions. Following that approach, the Integrated Master Data Management team has been established in the Department of Management to review this process and enable the management of master data throughout the earlier deployments of Umoja, but with a long-term vision of a steady state after full Umoja deployment.

Central Property Management Unit in the Office of Central Support Services of the Department of Management

45. The responsibilities of the central Property Management Unit in the Office of Central Support Services will be to develop and implement the performance and compliance management programme, with Secretariat-wide key performance indicators; to update and maintain the elements of the property management framework, namely property related policy, delegations of authority, process guidance and key performance indicators; and training to ensure that the operational needs of the Organization are met. That will involve property master data maintenance, the review and analysis of relevant audit issues and recommending courses of action, risk assessment for property not reported under IPSAS and adjusting controls as necessary.

46. The Unit will also monitor compliance against key performance indicators to ensure consistency, provide policy guidance and review property utilization to enhance efficiency. The Unit will provide oversight with respect to Headquarters property for all Headquarters departments and offices and the ongoing support and training of departmental focal points. It will ensure the annual physical verification of United Nations property and monitor data reconciliation, and perform all fixed asset management functions at Headquarters.

Property Management Unit in the Logistics Support Division of the Department of Field Support

47. As stipulated in the Secretary-General's bulletin ST/SGB/2010/2 on the organization of the Department of Field Support, the management of United Nations property is the core function of Logistics Support Division and includes, inter alia, "policy and procedural advice to field operations and management in the Department of Field Support on compliance with the United Nations rules and regulations on property management issues; monitoring and analysing inventory reports from field operations to determine trends in inventory management; collaborating with user groups to develop automation tools to accelerate the verification of assets and streamline the write-off process; supporting field operations by developing training programmes and materials; and developing and setting global performance benchmarks with key performance indicators for field operations".

48. The Property Management Unit in the Logistics Support Division has different roles and functions from the central Property Management Unit in the Office of Central Support Services. The Property Management Unit in the Logistics Support Division acts as a focal point between the central Unit in the Office of Central Support Services and the field missions to ensure the consistent application and implementation of the property management framework across property owned by the Organization.

49. The Property Management Unit in the Department of Field Support is an integral element of the Logistics Support Division's business performance management programme, established for the enhancement of supply chain management in peacekeeping operations. The Property Management Unit provides critical departmental-level analysis to the senior management of the Department of Field Support in support of decision-making, and responds to specific and immediate field operational needs, mainly related to logistics arising from the diverse geographic, political and economic environments in which field missions operate.

50.   An organigramme of the current structure of property management capacity at Headquarters is depicted in figure 1 below.

Figure 1
Organigramme of Headquarters property management functions
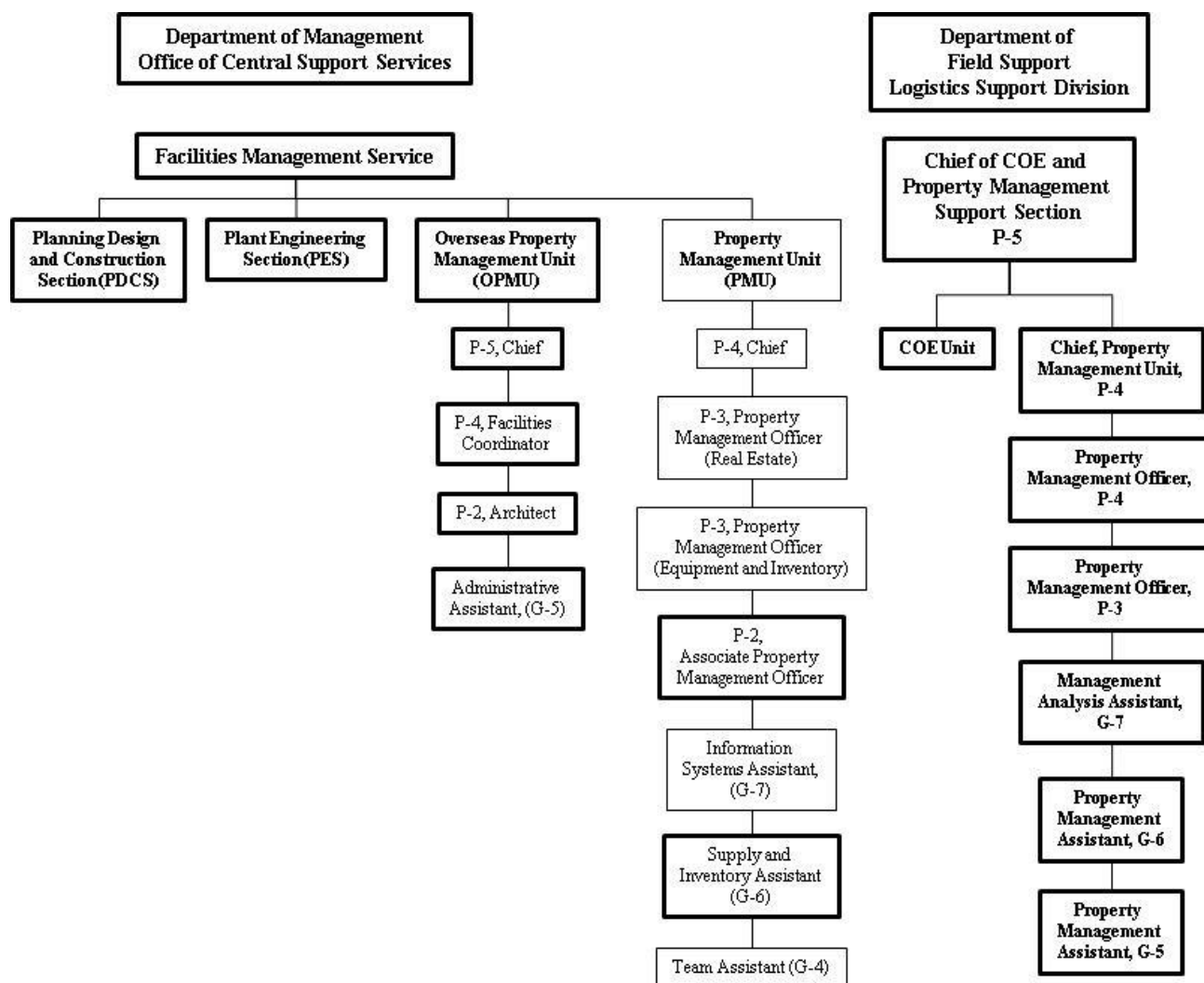
___ = Established posts

── = Temporary posts (interim arrangement)

51. The functional titles, levels and main responsibilities of the established and temporary property management resources personnel in the Office of Central Support Services are shown in the annex.

Property management framework and the strategic capital review

52. The purpose of the strategic capital review is to forecast capital requirements for the maintenance of real estate and infrastructure across the Secretariat (see A/68/733). The review is fully aligned and coordinated with the policies and procedures as described throughout the present report, in particular with regard to the asset life cycle approach to property management, the overarching goal of which is to reduce the total cost of ownership by forecasting capital requirements in a planned way rather than through a reactive approach.

53. With regard to the Overseas Property Management Unit in the Office of Central Support Services, its functions are distinct from those of the central Property Management Unit discussed in the present report. The Overseas Property Management Unit responsibilities comprise the establishment of standards, procedures and guidelines for the implementation of new construction and major maintenance projects at overseas duty stations; the provision of planning, architectural and project management services to offices away from Headquarters; the coordination of strategic capital reviews across regional headquarters and economic commissions; and the coordination of the Inter-Agency Network of Facilities Managers (see A/68/6 (Sect. 29D)).

VII. Conclusions

54. The work programme for the Property Management Unit in the Office of Central Support Services focuses on the completion of the remaining deliverables for the framework for property management, including the full programme of guidance for asset accounting; developing the Secretariat-wide key performance indicators for compliance monitoring; conducting physical inventories; and the training and provision of certification materials for property management in implementing departments and offices. In the long term, the Unit would be responsible for maintaining the framework, ensuring compliance, training and providing for the certification of property management and asset management staff and maintaining the network of property managers for the sharing of best practices.

55. As shown in figure 1, the Property Management Unit currently only has two established posts. The activities described through the present report have been undertaken by the temporary capacity made available through ad hoc arrangements. Similar ad hoc arrangements are in place at the offices away from Headquarters, regional commissions and field missions.

56. Given the importance of the ongoing responsibilities, in particular the sustaining of IPSAS compliance and maintaining effective stewardship of the property of the Organization, it is important that those ad hoc arrangements be formalized in the long term.

57. Even in the short term, such ad hoc arrangements have proven problematic. The interim Property Management Unit only reached full strength in April 2013, and then only for a period of one month, and has experienced high staff turnover owing

to the temporary nature of the employment contracts. That has presented challenges with regard to maintaining continuity, meeting the ambitious work programme and achieving all deliverables in a timely manner. Moreover, to ensure the accuracy and maintenance of property records, particularly in duty stations that have significant levels of property, fixed asset management officers will be required to provide necessary on-site technical guidance.

58.   In the light of the above, it is the intention of the Secretary-General to propose that the interim Property Management Unit and the temporary arrangements at offices away from Headquarters and regional commissions be formalized. Furthermore, an assessment is currently under way to determine the need for fixed asset management officers at other duty stations that have a significant property portfolio. The assessment is being conducted in conjunction with the review of the responsibilities of the existing property management resources to ensure effective and efficient coordination.

59.   The Secretary-General intends to include the necessary resource requirements to achieve the above in future budget proposals. with regard to the formalization of the interim Property Management Unit and the ad hoc arrangements currently in place at offices away from Headquarters and regional commissions, they will be addressed in the context of the proposed programme budget for the biennium 2016-2017. Resource requirements for property management strengthening at field missions will be included in the budget proposals for peacekeeping operations.

VIII.   Actions to be taken by the General Assembly

60.   **The General Assembly is requested to take note of the report.**

Annex

Functional titles, levels and main responsibilities of established and temporary property management resources in the Office of Central Support Services

Functional title	Level	Main responsibilities	Established/temporary
Property Management Officer, Chief of Section	P-4	Develop and implement property management policies that support organizational strategies, in compliance with the regulatory framework and in cooperation with stakeholders and oversight bodies; establish policies and processes and ensure definition and implementation of roles and responsibilities related to property management across the United Nations Secretariat; establish and oversee the implementation of performance management systems by defining key performance indicators for measurement, comparison and evaluation of property management factors; set out levels of delegations and reporting lines for departments across the United Nations Secretariat; define reporting mechanisms to monitor key performance indicators and meet accountability and quality requirements demanded by oversight bodies; ensure development of a communication strategy; ensure establishment of governance on property management data.[a]	Temporary
Property Management Officer (Equipment and Inventory)	P-3	Support establishment of processes related to management and accountability of equipment and inventory across the Secretariat, including definition of roles and responsibilities; execute global oversight and monitoring of processes and activities related to equipment and inventory; conduct research on best practices, gather information from all stakeholders and collate inputs and draft policies on classification of equipment and inventory, recognition, measurement at recognition, measurement after recognition, impairment and de-recognition in compliance with International Public Sector Accounting Standards (IPSAS) and Umoja solutions.	Temporary

Functional title	Level	Main responsibilities	Established/temporary
Property Management Officer (Real Estate)	P-3	Ensure establishment of processes related to management and accountability of property, plant and equipment, including but not limited to the processes of tracking and improved utilization of land, building and leasehold improvements, capturing future construction costs across the Organization; conduct research on best practices, gather information from all stakeholders and collate inputs on real estate property valuations, depreciations, impairments and componentization in accordance with IPSAS; ensure establishment of processes for the determination of impairment of real estate.	Temporary
Associate Property Management Officer	P-2	Assist Headquarters departments in the implementation of the property management framework, ensure compliance and train network of property management custodians at Headquarters; manage the annual physical inventory at Headquarters.	Established
Information Systems Assistant	GS (PL)	Perform information management and data analysis of asset records, both financial and operational, from offices Secretariat-wide, to assist with financial recording, compliance monitoring and assessment of operational efficiency.	Temporary
Property Management Assistant (Supply and Inventory)	GS (OL)	Provide support with financial recording and data analysis, centrally and for Headquarters.	Established
Team Assistant	GS (OL)	Provide administrative support.	Temporary

[a] "Data governance refers to the organizational bodies, rules, decision rights and accountabilities of people and information systems as they perform information related processes." Gwen Thomas, "The DGI Data Governance Framework", The Data Governance Institute. Available from www.datagovernance.com.

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