General Assembly

Sixty-eighth session
Item 142 of the provisional agenda*
Joint Inspection Unit

Review of enterprise resource planning systems in United Nations organizations

Note by the Secretary-General

The Secretary-General has the honour to transmit to the General Assembly his comments and those of the United Nations System Chief Executives Board for Coordination on the report of the Joint Inspection Unit entitled "Review of enterprise resource planning systems in United Nations organizations" (A/68/344).

_____

  * A/68/150.

Please recycle

Summary

      The report of the Joint Inspection Unit entitled "Review of enterprise resource planning (ERP) systems in United Nations organizations" (A/68/344) examines the implementation and use of those applications, including upgrades and extensions implemented since the systems were first introduced. The review also analyses the project management, costs and benefits associated with ERP systems, with recommendations directed to executive heads, legislative bodies and the United Nations System Chief Executives Board for Coordination (CEB).

      The present note reflects the views of organizations of the United Nations system on the recommendations provided in the report. The views of the system have been consolidated on the basis of inputs provided by member organizations of CEB, which welcomed the report and supported its conclusions.

I. Introduction

1.   The review of enterprise resource planning (ERP) systems in the United Nations system organizations (A/68/344) examines the implementation and use of the applications, including upgrades and extensions implemented since the systems were first introduced. The review also analyses the project management, costs and benefits associated with ERP systems, with recommendations directed to executive heads, legislative bodies and CEB.

II. General comments

2.   Agencies of the United Nations system welcomed the report on ERP implementation and appreciated the useful comparative information that it contained. Agencies generally accepted the recommendations contained in the report and the underlying analysis.

3.   Agencies commented on some of the statements in the report. For example, in paragraph 68, the Joint Inspection Unit noted that "ERP systems require good Internet connectivity to function well, although it is expected that with technological evolutions, future versions of ERP will allow users to work offline". Agencies noted that the statement might be true, but that confirmation should come from the major vendors if that was in their technological road map, in particular since indications were that vendors were looking towards enhanced worldwide connectivity as the solution to the problem.

4.   The Secretariat noted that while the Joint Inspection Unit, in paragraph 70, had correctly used the Umoja Foundation as an example of integrating an ERP system with legacy systems, it had incorrectly stated that those integrations remained to be funded and planned.

III. Specific comments on recommendations

Recommendation 1

The executive heads of United Nations system organizations should ensure that staff members receive adequate training for their specific needs throughout the system's life cycle, and that appropriate resources are allocated to training on an ongoing basis.

5.   Agencies strongly supported the call in recommendation 1 to ensure that staff members receive adequate training in ERP and business operations. However, agencies noted that training should be linked to the acquisition and retention of knowledge through testing and certification. Therefore, simply providing training might not achieve an organization's primary goal of ensuring the effective use of ERP. Staff members must be held accountable and responsible for ensuring successful usage of the system, which training could support.

Recommendation 2

The legislative/governing bodies of United Nations system organizations should exercise their monitoring and oversight role on their respective ERP

projects on an ongoing basis, including implementation, maintenance and upgrade policy, cost-efficiency and achievements of the overall objectives of the projects.

6.   Agencies supported recommendation 2, regarding the monitoring and oversight of ERP projects, noting that it was directed at legislative bodies. In their responses, agencies emphasized the vital importance of transparent reporting to legislative and governing bodies on the progress, spending and implementation of the systems. They also cited the need to properly consult with legislative bodies over any adjustment of the regulations and reporting under their authority, such as those needed to implement the International Public Sector Accounting Standards. Nevertheless, agencies note that ERP implementation was not an end in itself but a tool intended to help organizations to fulfil their mandates. In a results-based framework, day-to-day operational matters, such as ERP maintenance and upgrades, were not the province of legislative bodies, except when such matters directly affected those bodies, for example, when additional funding was being requested or when the operational matters affected services provided directly to the bodies.

Recommendation 3

The executive heads of United Nations system organizations should establish regular monitoring and reporting mechanisms for ERP projects throughout their life cycle.

7.   Agencies supported the establishment of monitoring and reporting mechanisms for ERP projects, as cited in recommendation 3. They noted that those mechanisms should form part of the regular governance and that they should follow best practices and industry standards.

Recommendation 4

The Secretary-General, in his capacity as Chairperson of CEB, should direct the CEB High-level Committee on Management to develop a common United Nations system policy regarding cloud-based solutions, before the end of 2014.

8.   In general, agencies supported recommendation 4, calling for the development of a common United Nations system policy on cloud-based solutions. Some agencies expressed enthusiasm for more aggressively exploring the use of cloud services, which they believed could promote greater flexibility, scalability and cost-effective options, including through a reduction in operating costs. In particular, agencies highlighted the benefits that a system-wide cloud policy would bring for ERP system strategies.

9.   Agencies urged that guidance on the handling of legal/regulatory constraints in terms of the storage of confidential intellectual property should be included in the guidelines for a common approach developed by the inter-agency mechanisms. They noted that the legal advisers of the specialized, related and other organizations of the United Nations system had issued a statement on the employment of cloud computing services in response to a request by the Secretary-General of the International Telecommunications Union, as Chair of the Information and Communications Technology Network. While acknowledging in their statement the benefits of cloud computing as well as the risks, including the possible impact on the privileges and

immunities of United Nations system organizations, the legal advisers suggested that agencies take specific actions prior to initiating cloud services, including performing risk-benefit analysis, strengthening information classification policies and practices, evaluate in-house cloud services, such as utilizing the International Computer Centre, and ensure that decisions to utilize cloud services were taken at the highest institutional level.

_____