



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY  
AMBASSADOR CONROD HUNTE, DEPUTY PERMANENT REPRESENTATIVE  
OF ANTIGUA AND BARBUDA TO THE UNITED NATIONS, ON AGENDA ITEM  
116: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS AND  
REPORTS OF THE BOARD OF AUDITORS, IN THE FIFTH COMMITTEE  
DURING THE MAIN PART OF THE 63RD SESSION OF THE GENERAL  
ASSEMBLY (New York, 15 October 2008)**

Mr. Chairman,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 116, entitled "Financial reports and audited financial statements and reports of the Board of Auditors".
2. We wish to thank Mr. Olivier Myard, the Director of External Audit of France and Chairman of the Audit Operations Committee of the Board of Auditors for his introduction of the reports of the Board. We also wish to thank Ms. Nancy Hurtz-Soyka, Chief of the Oversight Support Unit, for introducing the report of the Secretary-General on the implementation of the recommendations of the Board of Auditors, and Ms. Susan McLurg, Chairperson of ACABQ, for introducing the report of the Advisory Committee.
3. The Group wishes to reiterate the importance we attach to the roles played by the Board together with the other internal and external oversight bodies. The Group of 77 and China joins ACABQ in welcoming the continued high quality of the Board's reports. The Group especially appreciates the Board's efforts in refining the presentation of their reports which, while striking an appropriate balance between financial and performance audits, provides sufficient information, and the "reader friendly" nature of the reports with an inclusion of an executive summary of their findings. We also note with satisfaction that the Board has continued to coordinate and collaborate with other oversight bodies including the Office of Internal Oversight Service and the Joint Inspection Unit. We concur with the findings and recommendations of the Board.
4. Timely implementation of the recommendations of the Board is crucial in ensuring the principles pertaining to proper procedures and practices and full disclosure of financial statements are being adhered to by the Administration. The Group notes with satisfaction that the Administration's implementation rate of the recommendations of the Board has improved very significantly to 68.3 per cent from 26 per cent in the previous. Meanwhile, we are concerned with the aging of the implementation of some recommendations, some of which date back to such biennium as 2000-2001 or 1998-1999. The Group continues to hold that the responsibility to implement the recommendations of the Board falls on the Administration. In order to implement the recommendation of the Board, the Administration needs to ensure that accountability is assigned to specific office holders. In this regard, we concur with the recommendation of ACABQ that the Secretary-General need to designate focal points in each department/office to facilitate the implementation process and ensure accountability for the requisite action. We further concur with ACABQ on the view that the Board should strengthen its validation process in order to better evaluate results and impact of the Administration's efforts to implement the Board's recommendation.

Mr. Chairman,

5. We note with concern that, owing to the failure of Member States to pay their assessed contributions in full and on time, as at 31 December 2007, unpaid assessed contributions to the regular budget totaled \$439.7 million, representing an increase of \$94.9 million, or 28 per cent, compared to the situation as at 31 December 2005. All Member States have the obligation to bear the expenses of the United Nations, as apportioned by the General Assembly and are urged to pay their assessed contributions in full, on time and without imposing conditions.

6. The Group notes with concern the discovery by the Board of the sharp deterioration during the past few years with the share of successful candidates from unrepresented and underrepresented countries falling from 43 per cent to 34 per cent from 2001 to 2005 while the share of staff from overrepresented countries having nearly doubled, from 17 per cent in 2001 to 31 per cent in 2007. We wish to reiterate that achieving equitable geographic distribution and gender balance of staff should be a priority in the United Nation and its affiliated agencies, funds and programmes and call for effective measures of transparency and accountability at all level for the selection, recruitment and placement processes to address this situation.

7. Capital Master Plan is another area of concern to this Group. We hold that the timely and effective implementation of recommendations of the Board is important to the implementation of CPM. The Group requests the Administration to take effective measure concerning the two recommendations of the Board, namely the creation of an advisory board and the separation of current and investment expenditure, which had not been implemented and are reiterated in the Board's present report.

8. We note with satisfaction that for the biennium ended 31 December 2007, United Nations Office for Project Service income from all sources in 2006-2007 exceeded administrative expenditure significantly compared with the previous biennium. We note the modified opinion of the Board with three emphases of matter paragraphs on the financial statement for the period under review as well as the several dozens of recommendations made in this regards. We trust that UNOPS will take effective measures in implementing those recommendations so as to further improve its work.

Mr. Chairman,

9. We wish to get more information and clarification on those issues we have highlighted above and will engage in interactive discussion on the other issues during the informal consultation.

Thank you, Mr. Chairman.