



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MRS KAREN LINGENFELDER, COUNCELLOR AT THE PERMANENT MISSION OF SOUTH AFRICA TO THE UNITED NATIONS, ON AGENDA ITEM 131: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS AND REPORTS OF THE BOARD OF AUDITORS, AT THE FIFTH COMMITTEE DURING THE MAIN PART OF SEVENTIETH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY (New York, 14 October 2015)

Mr Chairman

I have the honour to speak on behalf of the Group of 77 and China on agenda item 131, entitled "Financial reports and audited financial statements, and reports of the Board of Auditors".

At the Outset, the Group of 77 and China would like to thank Mr Salhina Mkumba, Director of External Audit, of the United Republic of Tanzania and Chairman of the Audit Operations Committee of the Board of Auditors for his introduction of the reports of the Board. We would also like to pay special tribute to Mr Francis Kitauli for his contribution to the AOC and we wish him the best of luck in his new assignment back at Capital. The Group further wishes to thank the Deputy Controller, Office of Programme Planning, Budget and Accounts, Mr Chandru Ramanathan for introducing the report of the Secretary General on the implementation of the recommendations of the Board of Auditors, as well as Mr Carlos Ruiz Massieu, Chairman of the Advisory Committee for introducing the related report.

Mr Chairman

The Group of 77 and China has always attached great importance to the work of the Board of Auditors in discharging external oversight of the organizations and will continue to do so. The observations, comments and recommendations of the Board are crucial for Member States to ensure that the principles pertaining to proper procedures and practices and full disclosure of financial statements are being adhered to. The Group wishes to commend the continued high quality of the Board's reports in this regard.

The Group notes that this is the first year where all entities that produce annual financial statements have adopted IPSAS and that all twenty entities including the United Nations peacekeeping operations audited in this period have received an unqualified opinion from the Board.

The Group also takes note of a trend of continued improvement in the preparation processes related to the financial statements as well as high quality of information which has become available as a result of, among others, the adoption of IPSAS.

Mr Chairman

With regard to cross-entity issues examined, the Group notes the Board's findings of varied achievements with respect to managing globally dispersed operations as entities try to strike the right balance between sufficient flexibility and delegated authority in the field versus the right level of monitoring, intervention and oversight by headquarters. The Group stresses the need for enhanced oversight, accountability and governance in this regard.

Turning to the business transformation initiatives in particular IPSAS, Umoja, mobility, the upcoming global service delivery model, and United Nations' estates including the capital master plan, the strategic heritage plan, the strategic capital review, flexible workspace and long term accommodation being implemented in the Organization, the Group concurs with the Board and Advisory Committee's views that, while progress is being made, more needs to be done to ensure these projects are properly managed.

Mr Chairman

The Group is pleased to note that the Secretariat has accepted all the recommendations of the Board made for the year 2014. With regard to the status of implementation of the Board's recommendations for all the entities issued up to the year 2013, the Group notes that 49.6 per cent of the recommendations have been fully implemented. This represents a decrease in the rate of implementation compared to the previous reporting period where 56 per cent of the past recommendations were fully implemented. The Group joins the Board in welcoming the progress made in the implementation of the recommendations, but at the same time we would like to emphasise the need for the administration to address unimplemented recommendations as a matter of priority.

Turning to the issues related to the management of implementing partners, the Group notes some progress as brought out by the board's findings but urges continued work to develop mechanisms to share information concerning the implementing partners.

The Group of 77 and China has also taken note of other key observations contained in the report of the Board and Advisory Committee related to financial performance and management, managing the workforce, enterprise risk management, managing the risk of fraud, procurement and contract management as well as special political missions and we look forward for more clarification during our informal consultations.

With regard to issues concerning specific entities, the Group has taken note of the Board's specific entity related observations including those linked to tribunals and Residual Mechanism, United Nations University, UNICEF, UNHCR, UNRWA, UNITAR, UN Women, UN-Habitat and UNOPS. The Group looks forward to detailed discussion on these issues during informal consultations.

Mr Chairman

With regard to the report of the Board of Auditors on the Pension Fund, the Group of 77 and China has taken note of the anomalies in the Board of Auditors' report as Annexed to the report of the Pension Board. The Group believe that it is time to address these anomalies so that the Board of Auditors' report will be considered as a separate report for General Assembly consideration. We look forward to discussing this matter with member states with the aim to finding a solution to this matter in this session as a matter of priority.

In conclusion, the Group would like to assure you of our readiness to engage in constructive deliberation on this important agenda item with the aim of concluding this agenda item in a timely manner.

I thank you, Mr Chairman