



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. MOHAMED FOUAD, COUNSELOR AT THE PERMANENT MISSION OF EGYPT TO THE UNITED NATIONS, ON AGENDA ITEM 133: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (B) UNITED NATIONS PEACEKEEPING OPERATIONS, AT THE SECOND RESUMED PART OF THE SEVENTY-SECOND SESSION OF THE FIFTH COMMITTEE OF THE UNITED NATIONS GENERAL ASSEMBLY (New York, 15 May 2018)**

Mr. Chair,

1. I have the honor to speak on behalf of the Group of 77 and China on agenda item 133: Financial Reports and Audited Financial Statements and Report of the Board of Auditors, on United Nations Peacekeeping Operations.

2. The Group would like to thank Mr. Anand M. Bajaj, Chairman of the Audit Operations Committee for introducing the Board's report as contained in document A/72/5(Vol.II); We also would like to thank Ms. Bettina Tucci Bartsiotas, Assistant Secretary-General, Controller, for introducing the report of the Secretary-General contained in document A/72/756 and Mr. Carlos Ruiz Massieu, Chairman of the ACABQ for introducing the Committee's relevant report A/72/850.

Mr. Chair,

3. The Group attaches great importance to the oversight role of the Board of Auditors as it provides a valuable insight into the financial matters of the United Nations, in this case on peacekeeping operations. The Group firmly believes that this indispensable work complements the oversight roles undertaken by other oversight bodies, namely the OIOS and JIU.

4. The Group takes note with appreciation the comprehensive and detailed Board's report before us, which will definitely enable the committee to better understand challenges related to some important aspects of the work of peacekeeping operations. The Group has carefully examined the Board's observations, , and recommendations, which pertain to a broad spectrum of issues related to peacekeeping, in particular financial reporting, budget formulation, financial management, procurement, contractual arrangements, human resources, travel and environmental management.

5. The Group has noted that according to the Secretary General's report, up to January 31st, 2018, a total of 75 recommendations had been issued by the Board to the Administration. Of these, 11 have been implemented whereas the implementation of 64 of them remains in progress.

6. The Group also notes that compared to 2016/2017 data, the rate of implementation remains low. Furthermore, examination of the Board's main recommendations, which are considered to be of the highest priority points out that the Administration has increased only by two the number of main recommendations being implemented resulting in a total of only four main recommendations, leaving 28 still in progress of a sum total of 32 recommendations.

7. Even though the Secretariat has strived to set a date for the completion of at least 20 of the main recommendations, 17 of them are to be completed in 2018 and 3 in 2019, leaving 8 recommendations with no specific date of completion of implementation.

8. In this regard and taking into consideration the analysis made by the Board in its report, the Group pursuant to the GA resolution 69/249 reiterate its request to the secretariat to enhance its efforts to effectively implement in full the Boards' recommendations in a timely and to provide a full explanation for the delays in the implementation of all outstanding recommendations.

Mr. Chair,

9. The Group takes note of the recurrence of similar or related recommendations from previous audits, as well as the emergence of new challenges with respect to peace keeping operations. We look forward to our discussions in the upcoming informal consultations to examine how the Secretariat can expeditiously address these challenges, as well as to ensure that sufficient and relevant data is provided in a timely manner. It is also important to undertake necessary quality assurance measures to avoid the possibility of errors as witnessed in the current report.

10. The Group is concerned over a number of issues raised by the board in its reports. Thus, the group will seek clarifications thereon during the informal consultations. These issues include but are not limited to:

- Shortcomings regarding master records in Umoja, during the transition from legacy systems to the Umoja supply chain solution.
- Lack of comprehensive reporting, leading to significant risk for the United Nations.
- Provision of enhanced disclosures regarding related party transaction.
- Weaknesses in internal control relating to payments.
- Problems with assets valuation, in particular actual costs of self-constructed items of property, plant and equipment that qualify for recognition as assets.
- Implementation of a consistent and clear system of delegation of authority.
- Continued over-reliance on consultants and individual contractors and the need to improve the selection process of these personnel.
- Fraud and presumptive fraud.
- Persistent difficulties in complying with the air travel management policy.
- Insufficient adherence to administrative stipulations and reporting obligations regarding environmental management.
- Shortcomings in relation to air transport which is a major budget line.

11. The Group of 77 and China notes that the term of the Controller and Auditor General of the United Republic of Tanzania, member of the Board of Auditors is ending on June, 30th 2018. We would like in this regard to thank the team of Tanzania for their contribution to the external oversight at the United Nations system. We would also like to take this opportunity to welcome the Comptroller General of the Republic of Chile who will start his new term as a member of the Board of Auditors in July 2018.

12. In conclusion; the Group would like to assure you, Mr. Chair, of its readiness to engage constructively with all relevant stakeholders during the informal consultations to conclude this agenda item at the earliest opportunity.

I thank you Mr. Chair.