



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MINISTER MARCELO SUAREZ SALVIA, PERMANENT MISSION OF ARGENTINA TO THE UNITED NATIONS, ON AGENDA ITEM 134: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 2012-2013 - INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS), IN THE FIFTH COMMITTEE DURING THE MAIN PART OF THE 66TH SESSION OF THE GENERAL ASSEMBLY (New York, 10 November 2011)**

Mr. Chairman,

I have the honour to speak on behalf of the Group of 77 and China on agenda item 134: Proposed Programme Budget for the Biennium 2012-2013 - International Public Sector Accounting Standards (IPSAS).

2. We thank the Officer-in-Charge, Office of Programme Planning, Budget and Accounts, Mr. Chandramouli Ramanathan, for introducing the fourth progress report on IPSAS (A/66/379). The Director of External Audit (People's Republic of China) and Chair of the Audit Operations Committee, Mr. LIU Yu for introducing the report of the Board of Auditors on progress in the implementation of IPSAS (A/66/151). The Chair of the Advisory Committee on Administrative and Budgetary Questions, Mr. Collen Kelapile, for introducing the related report of that Committee (A/66/536). The Inspector Gerard Biraud of the Joint Inspection Unit, for introducing the report of that Unit on "Preparedness of United Nations system organizations for IPSAS", as contained in document (A/66/308). The Senior Adviser on Information Management Policy Coordination, Secretariat of the CEB, Mr. Kenneth Herman for introducing the note by the Secretary-General transmitting his comments and those of the United Nations System Chief Executives Board for Coordination on the report of the Joint Inspection (A/66/308/Add.1).

Mr. Chairman,

3. The Group of 77 and China has always been supportive of management reform initiatives aimed at increasing the efficiency and capacity of the Secretariat in delivering better results for the Organization.

4. In its resolution 60/283, the General Assembly approved the adoption by the United Nations of the International Public Sector Accounting Standards (IPSAS), as well as the resources requested to begin the process of implementing IPSAS and the enterprise resource planning system (ERP), also known as Umoja. We note that the World Food Programme and eight other United Nations organizations have produced their first IPSAS-compliant financial statements while the other organizations plan to transition to IPSAS in 2011, 2012, 2013 or 2014 respectively.

5. The Group of 77 and China has also always been supportive of measures aimed at enhancing the efficiency, effectiveness, transparency and accountability of the United Nations through improved financial reporting on assets, liabilities, revenues and expenses, as well as improved controls and processes

6. In this regard, the Group commends those organizations that have successfully implemented IPSAS. We note that the United Nations Secretariat had set the target of 2010 for adoption of IPSAS but mainly due to the delay in the implementation of Umoja, the target for adoption of IPSAS

has now been postponed to 2014. The United Nations Secretariat needs to take prompt and effective actions to address the key areas of concerns of the Board in order to meet the target timeline of implementing IPSAS and to plan for contingencies and specific measures to mitigate risks. The Group will request during the informals additional information on the level of involvement of the United Nations oversight bodies and the System-wide team in the efforts of the United Nations Secretariat to reach the target of 2014.

Mr. Chairman,

7. The Group of 77 and China expects the Secretary-General to fully implement the recommendations of the Board of Auditors and ACABQ including those on the preparation of model financial statements and produce clear plans for a "dry run" set of accounts with real accounting data, factoring in sufficient time for review by the Board, establishment of fully resourced and expert IPSAS implementation teams and a clear plan for data collection, cleansing and migration for IPSAS implementation.

8. The Group emphasizes the importance of ensuring that all staff is fully trained in IPSAS in advance of its implementation. The Secretary-General should carry out a comprehensive training strategy, in order to benefit from the experience and guidance of the early implementers and to minimize the considerable risks involved in the transition process.

9. As Chairman of the CEB, the Secretary-General should continue to coordinate all aspects related to the transition from the United Nations System Accounting Standards to IPSAS. We also concur with the Board and ACABQ that the Secretary-General needs to continue to gather, analyze and disseminate information with regards to the challenges faced, lessons learned, best practices drawn upon and benefits realized by the organizations which have implemented IPSAS so as to further refine the implementation plans and strategies of the organizations that have yet to transition to IPSAS.

10. The Group of 77 and China will actively participate in the discussion of this important agenda item.

Thank you, Mr. Chairman.