



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. IMTIAZ HUSSAIN, MINISTER, PERMANENT MISSION OF THE ISLAMIC REPUBLIC OF PAKISTAN TO THE UNITED NATIONS, ON AGENDA ITEM 125: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS, AT THE FIFTH COMMITTEE DURING THE MAIN PART OF THE 62ND SESSION OF THE GENERAL ASSEMBLY (New York, 10 October 2007)

Mr. Chairman,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 125, entitled "Financial reports and audited financial statements, and reports of the Board of Auditors".
2. The Group wishes to thank Mr. Pierre Brouder, 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 Mr. Rajat Saha, Chairman of the ACABQ, for introducing the report of the Advisory Committee.
3. The Group of 77 and China has always supported the work of the internal and external oversight mechanisms of the United Nations. We believe that these oversight mechanisms provide Member States with the necessary assurances that the principles pertaining to proper procedures and practices and full disclosure of financial statements are being adhered to by the Organization. In this regard, we are pleased to find that the Board has like in the previous years come up with various reports containing plenty of useful observations and recommendations. The ACABQ while concurring with the observations and recommendations has also made its own observations and recommendations. We wish to commend their hard work.
4. The Group believes that observation and recommendations by the oversight mechanisms are crucial to the improvement of the work of the United Nations and should therefore be implemented fully and timely. The Group notes with satisfaction that the number of recommendations by the Board has increased by 28 per cent over the last biennium and more than tripled over the past four biennium. We are also encouraged to note that overall implementation rate of the Board's recommendations as at 31 March 2007 has improved compared to the rate as at 31 May 2005.
5. Meanwhile, we are concerned that the number of recommendations under implementation and not being implemented still remains high. We are also concerned that the implementation of previous recommendations remains a serious issue for many entities. The Group shares the view that the implementation of the Board's recommendations should not be unreasonably delayed and urges those entities which have not yet done so to take prompt and effective measures to implement the Board's recommendations some of which date back 6 to 7 years. Agreeing with the reiterated recommendations of the Board year after year is not enough, what is more important is action.

Mr. Chairman,

6. The Group is seriously concerned with the delays in the implementation of the Capital Master Plan (CMP) as endorsed by the General Assembly. This has resulted in loss of one year. The delay has led to an overall estimated overrun of about \$150 million which accounts for nearly 8% of

the overall budget approved by the General Assembly through its resolution A/61/251. We note that high vacancy especially at the management level has contributed to the delays. We are further concerned by the delays in the establishment of an Advisory Board to advise the Secretary-General on financial matters in respect of the CMP. We urge the Secretary-General to take measures to avoid further delays and financial burdens of the Member States. In the meantime, the Group stresses the need for the BOA to continue auditing the implementation of the CMP on annual basis, given the complexity and the sensitivity of the issue. The Group will revert to this issue in detail during this session of the General Assembly under relevant agenda items.

7. We note with concern that during the past year, the gap between the total funds available for the Annual Programme Fund and the Executive Committee-approved budget has further increased for the Office of the UN High Commissioner for Refugees. We wish to reiterate our full support for the work of the High Commissioner and are concerned with the decrease in the amount of voluntary contributions and urge the High Commissioner to increase his efforts to raise voluntary contributions. We are concerned that the rate of implementation of the Board's previous recommendations stands very low and urge the UNHCR to ensure the full implementation of the recommendations of the Board.

8. We have noted that the Board has tried to strike an appropriate balance between financial and performance audits, as well as the need to provide stakeholders with sufficient information while continuing with its efforts to streamline its reports. While we support the efforts in this respect, we also wish to emphasize that streamlining reports should not be done in such a way which costs the quality of oversight functions.

I thank you, Mr. Chairman.