



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MS. NAMITA KHATRI, FIRST SECRETARY, PERMANENT MISSION OF FIJI TO THE UNITED NATIONS, ON AGENDA ITEM 128: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS, AT THE SECOND RESUMED PART OF THE SIXTY-SEVENTH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY - FIFTH COMMITTEE (New York, 6 May 2013)

Mr. Chairman,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 128, Financial Reports and Audited Financial Statements, and Reports of the Board of Auditors.

2. We would like to thank Mr. Hugh O'Farrell, Director of External Audit of United Kingdom of Great Britain and Northern Ireland and Chairman of the Audit Operations Committee of the United Nations Board of Auditors, for introducing the Board's report (A/67/5 (Vol. II)); Mr. Pedro Guazo, Director of the Accounts Division, Office of Programme Planning, Budget and Accounts, for introducing the report of the Secretary-General on the implementation of the recommendations of the Board (A/67/741); and Mr. Mr. Carlos Ruiz Massieu, Chairman of the ACABQ, for introducing the Advisory Committee's related report (A/67/782).

Mr. Chairman,

3. The Group of 77 and China attaches great importance to the work carried out by the Board of Auditors as the independent external auditors of the United Nations and its Funds and Programmes. Our Group highly commends the continued high quality of the report under consideration. The Group also appreciates with much respect the efforts of the Board to ensure that the principles of fair presentation and full disclosure of financial statements of UN Peacekeeping Operations are adhered to. The Group has also taken note of the information provided by the Secretary-General on the implementation of the Board's recommendations related to Peacekeeping Operations.

Mr. Chairman,

4. We note that out of 40 recommendation made for 2010/2011, 18 or 45 per cent were fully implemented and 22 or 55 per cent were partially implemented in the period under reviews implying that implementation rate remain nearly the same level as the previous year 2009/2010. We note this year again that the rate of implementation of recommendations made by the Board for this period is almost the same as the previous year, (respectively 44 and 45 per cent). The Group stresses the need for Secretary-General to increase his effort to ensure recommendations of the Board are fully and timely implemented.

5. The Group recognizes the efforts made by the Secretary-General and his team to address the concerns of the Board in the previous report in enhancing financial control and management. However we remain seriously concerned on the level of weakness and deficiencies identified by the Board, in particular those related to project governance for the Global Field Support Strategy, insufficient accountability on the part of the senior mission management for successful implementation of IPSAS, continued deficiencies in the areas of asset management and

procurement.

Mr. Chairman,

6. With regard to IPSAS implementation at the missions, the Group has taken note that peacekeeping operations aim to deliver their first set of IPSAS-compliant financial statements for the year ending 2014. We also note that the schedule for implementation is tight and there is significant risk. The Group urges the Secretary-General to ensure that deficiencies identified by the Board on the IPSAS progress management in the missions and a lack of firm commitments and accountability of missions' top management are addressed as a matter of priority. It is thus crucial for the Secretariat, in the aim of successfully implement IPSAS and all the recommendations of the Board, to reinforce the dialogue with the Board of Auditors in identifying the root causes of recurring issues and minimizing the ageing of the Board's previous recommendations.

7. In the area of asset management, while the Group appreciates the progress made in addressing deficiencies raised by the Board in previous reports, we remain concerned on continued reoccurrence of the deficiencies in particular on the areas of accounts for constructed assets, physical verification of assets and asset disposals at liquidated missions. The Group will be keen to study in details these matters during informal consultations.

8. With regard to procurement and contract management, the Group remains concerned on a number of weaknesses identified by the Board, including deficiencies in solicitation process such as lack of fairness, integrity and transparency in vendor invitations as well as weaknesses in contract administration, including lack of consideration of vendor performance evaluations when awarding or extending contracts. The Group stresses the need to comply with existing administrative and financial rules, regulation and General Assembly provisions governing procurement.

Mr. Chairman,

9. The Group of 77 and China is seriously concerned on the continued weaknesses and deficiencies in the implementation of the Global Field Support Strategy, in particular on the overall project management and benefits management. The Group is also deeply concerned that the Secretary General moved six posts from the Global Service Center to Valencia without the General Assembly approval and subsequently had to move those posts back. Moreover, the Group is as well concerned that the Secretary-General moved a total number of 163 posts to the Regional Service Center prior to the General Assembly's approval. The Group requests the detail clarification on these matters, including measures taken to held responsible managers accountable in this regard.

Mr. Chairman,

10. The Group of 77 and China will actively engage in the informal consultation on the issues mentioned above and other important concerns on a number of specific elements on the Board of Auditors report and we look forward to clarifying these issues during our debates.

Thank you, Mr. Chairman.