



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. LUKE DAUNIVALU, DEPUTY PERMANENT REPRESENTATIVE OF FIJI TO THE UNITED NATIONS, ON AGENDA ITEM 134: INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS-IPSAS, AT THE MAIN PART OF THE SIXTY-EIGHTH SESSION OF THE FIFTH COMMITTEE OF THE GENERAL ASSEMBLY (NEW YORK, 11 OCTOBER 2013) (New York, 11 October 2013)

Mr. Chairman,

1. I have the honour to speak on behalf of the Group of 77 and China on Agenda Item 134, entitled proposed program budget for the biennium 2014-2015, on the International Public Sector Accounting Standards, IPSAS.

2. The Group wishes to thank Mr. Chandru Ramanathan, Officer-in-charge, Office of Programme Planning, Budget and Accounts, for introducing the 6th Progress Report of the Secretary General on the adoption of the International Public Sector Accounting Standards, contained in document A/68/351. We also wish to thank Mr. Carlos Ruiz Massieu, Chairman of the ACABQ for introducing the related Advisory Committee's report on the same contained in document A/68/508, and Mr. Hugh O'Farrell, Chair of the Audit Operations Committee for introducing the BOA report on IPSAS contained in document A/68/161.

Mr. Chairman

3. The Group recalls that the General Assembly in its Resolution 60/283 approved the adoption by the United Nations, of the International Public Sector Accounting Standards as a means of improving the Organisation's accounting standards and hence efficiency in financial management. The Secretary General has submitted progress reports on the adoption of IPSAS to the General Assembly annually since 2008.

Mr. Chairman,

4. The Group welcomes the reported progress made in the implementation of IPSAS, as well as measures taken by the Secretary-General to strengthen the governance of IPSAS by reconstituting the Steering Committee and creating an independent project assurance function. These measures should help to keep the project implementation strategy on track and ensure that implementation risks are monitored and addressed in a timely manner. In this regard, the Group will engage more on the independent project assurance role that has been created, including the project assurance Officer's role and reporting functions.

Mr Chairman,

5. The Group of 77 and China remains concerned with regard to certain aspects of the IPSAS project implementation, especially in the absence of a common system and format for recording of financial data and the risk associated with the ability of temporary adaptations to the existing system to deliver accurate data for IPSAS compliant financial statements. The Group will engage more on this matter during the informals.

6. Furthermore, in its report on IPSAS, the Board of Auditors highlights the generating and cleansing of reliable transactional data on assets based on reliable accounting guidance as the

single biggest risk to preparing IPSAS compliant financial statements, and adds that it is critical that the opening balances for assets and liabilities be established as early as possible. The Board also indicates that the action plans of the UN did not currently include a milestone for the earliest data on which opening balances would become available for its review. The Board recommended that the testing and validation of data be undertaken by the end of September 2013. The Group looks forward to hearing what progress has been made in implementing this recommendation.

Mr. Chairman,

7. In conclusion, while welcoming progress made in the implementation of IPSAS, including the 10 additional organisations that have issued their first IPSAS compliant financial statements for 2012, bringing the number to 21, since 2008. The Group nevertheless takes note of the concerns raised by the ACABQ in its report and the observations made by the BOA in its report as well, regarding weaknesses in asset management and processes, underlying the preparations of IPSAS compliant financial statements. We look forward to hearing how the above-raised concerns are addressed by the project managers.

8. Last but not least, as Chairman of the Chief Executive Board, 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.

Mr. Chairman,

9. The Group of 77 and China would like to assure you of our readiness to engage in a constructive manner in deliberations on this important Agenda Item.

I thank you, Mr. Chairman.