



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MS. SIRITHON WAIRATPANIJ, COUNSELLOR, PERMANENT MISSION OF THE KINGDOM OF THAILAND TO THE UNITED NATIONS, ON AGENDA ITEM 134: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 2016-2017: INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS), AT THE MAIN PART OF THE SEVENTY-FIRST SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY, FIFTH COMMITTEE (New York, 13 October 2016)

Madam Chair,

1. 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 2016 - 2017 in particular on the Progress on the implementation of the International Public Sector Accounting Standards - IPSAS.

2. At the outset, allow me to thank Mr. Pedro Guazo, Officer-in-Charge, Office of Programme Planning, Budget and Accounts, for introducing the Secretary-General's Ninth progress report on the adoption of the International Public Sector Accounting Standards by the United Nations, as well as Mr. Carlos Ruiz Massieu, Chairman of the Advisory Committee on Administrative and Budgetary Questions, for introducing its related report.

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

Madam Chair,

4. The Group of 77 and China note and welcome progress related to the implementation of IPSAS since the issuance of the last report a year ago, including those related to reported improvements in the Organization's financial accounting and reporting resulting from the implementation of IPSAS and it is our expectation that these improvements will lead to even greater efficiency, effectiveness and accountability in the management of the resources of the Organization.

5. With regard to sustaining compliance with IPSAS in the United Nations, the Group of 77 and China have taken note that during the reporting period the accountability of senior managers for the sustainability of IPSAS was included in the individual compacts signed between the senior managers and the Secretary-General.

6. The Group looks forward for detailed information on the implementation of this provision in the context of the managers' assessment.

7. In the context of benefit management, while the Group of the 77 and China acknowledge the information on the improved stewardship of assets and liabilities; availability of more comprehensive information on costs; improved consistency and comparability; and increased transparency and accountability, we remain of the view that future reporting on these improvements should include some concrete examples supported by quantitative measurements. We are also of

the view that future reporting should provide clarity on the improvements attributable to the Umoja-related system enhancements and those attributable to the adoption of IPSAS.

8. Like the Advisory Committee, the Group is also of the view that further benefits should be explored by managers as departments, offices and missions continue to mainstream IPSAS in their work processes.

Madam Chair,

9. Turning to the strengthening of internal controls, the Group of 77 and China have taken note that all heads of departments, offices and missions will now be required to, amongst others, submit an annual assurance statement affirming that internal controls are present and functioning in their respective areas of responsibility. The Group also notes that the Controller had defined the Organization's three main internal control objectives as Operations objective; Reporting objective and Compliance objective.

10. Turning to the strengthening of the internal control, the Group of 77 and China have taken note of the progress made in the development of the Organization's internal control framework including ensuring that all heads of departments, offices and missions will be required to, amongst others, submit an annual assurance statement affirming that internal controls are present and functioning in their respective areas of responsibility. It is also the expectation of the Group that strengthening internal controls will be treated as a management responsibility and not just a financial reporting exercise and that every effort will be made to train and equip managers with the tools necessary to establish, monitor and report on internal controls.

11. With regard to managing the regulatory framework, the Group has taken note of the efforts of the Project team in monitoring and participating in the ongoing policy discussions of the IPSAS Board.

12. The Group of 77 and China also note information related to progress made in strengthening Umoja as backbone for accounting and reporting compliance with IPSAS, in particular, the automation of the financial statement process using the business planning and consolidation module and the plan to deploy Umoja for asset and accounting in the field missions. We would like to stress the need to fully address the concerns raised in the previous period related to the high level of risk related to the transfer of data across multiple systems for the purpose of preparing financial and other statements. The Group is also of the view that efforts should be made to ensure that sustainability of IPSAS compliance is not compromised by issues relating to the Umoja implementation.

Madam Chair,

13. The Group of 77 and China have also taken note of the information related to the project budget and expenditure, as well as proposed supporting structure for long-term sustainability for IPSAS and we would like to state that project implementation should be treated as specific time bound project and that the current level of resources for the project team should not be used as a baseline for the anticipated level of resources for post 2017 supporting structures. The Group will seek specific clarification on these matters during informal consultations. The Group would also like to emphasize the need for full utilization of in-house expertise on the implementation of the project.

14. The Group is also of the view that United Nations entities should continue to share lessons and best practices as well as addressing any underlying challenges related to IPSAS implementation,

and we look forward to updates on this matter during informal consultations.

15. In conclusion, the Group of 77 and China would like to re-assure you of our continued commitment to work constructively with other delegations in order to conclude consideration of this item in a timely fashion.

I thank you, Madam Chair.

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