



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA  
BY MR. SEBASTIAN DI LUCA, OF THE PERMANENT MISSION OF  
ARGENTINA TO THE UNITED NATIONS, ON AGENDA ITEM 131:  
FINANCIAL REPORTS AND REPORTS OF THE BOARD OF AUDITORS,  
AT THE MAIN PART OF THE SIXTY-SIXTH SESSION  
OF THE GENERAL ASSEMBLY**

New York, 5 October 2011

Mr. Chairman,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 131, entitled "Financial reports and audited financial statements, and reports of the Board of Auditors".
2. The Group wishes to thank Mr. Liu Yu, the Director of External Audit of China 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. Collen Kelapile, Chairman of the ACABQ, for introducing the report of the Advisory Committee.
3. The Group of 77 and China attaches great importance to the work of the internal and external oversight mechanisms of the United Nations. Their observations and recommendations are crucial for Member States to ensure that the principles pertaining to proper procedures and practices and full disclosure of financial statements are being adhered to by the Organization. We wish to commend the hard work of the oversight mechanisms. 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 in a timely manner.

Mr. Chairman,

4. The Group welcomes the progress made by UNHCR that led to the issuance of an unmodified opinion for the period ending 31 December 2010. We concur with the ACABQ in recognizing the operational environment in which UNHCR operates, including the need for rapid response to emergency situations, which presents challenges with respect to financial management and controls.
5. However, we note the Board's conclusion that UNHCR has yet to develop mature and effective performance, financial and risk management systems. In this regard, we concur with the ACABQ that UNHCR should take all the appropriate measures to ensure the full implementation of the Board's recommendations.
6. The Group notes with concern that of the 24 recommendations made for the year 2009, 3 (13 per cent) were fully implemented, 14 (58 per cent) were under

implementation and 7 (29 per cent) were not implemented which represent a decline in the rate of the implementation of the board recommendations compared to 2008 of which 8 (42 per cent) of the recommendations were implemented.

7. With regard to the Board's finding on the progress made towards the implementation of the International Public Sector Accounting Standards (IPSAS), the Group concurs again with the Advisory Committee's comments as expressed in paragraph 9 of its report, and calls on UNHCR to work toward finalizing a successful implementation of IPSAS in 2012.

8. Regarding the issue of implementation of the Board's recommendations by 15 United Nations entities relating to the biennium 2008-2009, the Group notes that while the number of recommendations made by the Board increased by 16 per cent over the previous biennium, the implementation rate for the biennium 2008-2009 of 46 per cent stayed almost the same as the rate of recommendation for biennium 2006-2007 which was 47 per cent.

9. In that regard, the Group calls on those 15 United Nations entities to strive to fully and rapidly implement all Board's recommendations, to ensure an effective follow-up mechanism, to strengthen sufficient inter-agency coordination in the implementation of recommendations that pertain to more than one organization, and to avoid addressing recommendations in a symptomatic manner. We also concur with the Advisory Committee that the Organization needs to take measures, at the most senior level, to overcome the deficiencies in the implementation of the Board's recommendations and to effectively address the root causes of problems highlighted by the Board.

10. In conclusion, the Group notes that the Board commended UNDP for enhancing its audit tracking database. Nevertheless, we would like to receive more information and clarification regarding this issue.

I thank you, Mr. Chairman.