



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA  
BY MS. LOURDES PEREIRA SOTOMAYOR, FIRST SECRETARY, PERMANENT  
MISSION OF ECUADOR TO THE UNITED NATIONS, ON AGENDA ITEMS 132 AND  
149: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS AND  
REPORT OF THE BOARD OF AUDITORS, AT THE SECOND RESUMED PART OF  
THE SEVENTY-FIRST SESSION OF THE FIFTH COMMITTEE  
OF THE UNITED NATIONS GENERAL ASSEMBLY  
New York, 1 May 2017**

**Madam Chair,**

1. I have the honor to speak on behalf of the Group of 77 and China on agenda items 132 and 149: Financial reports and Audited Financial Statements and Report of the Board of Auditors.
2. The Group would like to thank Mr. Anand M. Bajaj, Chairman of the Audit Operations Committee and Director of External Audit for introducing the Boards report as contained in document A/71/5(Vol.II); to Ms. Bettina Tucci Bartsiotas, Assistant Secretary-General, Controller, Office of Programme Planning, Budget and Accounts for introducing the report of the Secretary-General contained in document A/71/801 and Mr. Carlos G. Ruiz Massieu, Chairman of the ACABQ for introducing the Committee's relevant report A/71/845.

**Madam Chair,**

3. The Group of 77 and China attaches a lot of importance and value to the work of the Board of Auditors in providing the necessary oversight on financial matters of the United Nations peacekeeping operations. This work complements well the oversight work undertaken by other oversight bodies, namely the OIOS and JIU. The Group notes with satisfaction that the Board's report before this Committee is comprehensive and sufficiently informative with regard to management of peacekeeping operations budgets and hence ascertainment of value for money. In this regard, we wish to thank the Board members for their excellent work which they continue to do. Likewise, the Group takes note of the Secretary-General's report which articulates the specific actions and attention the Secretariat is expending to implement the Board's recommendations.
4. The Group of 77 and China has keenly examined the Board's observations, comments and recommendations as it regards to the financial position and reporting, budget formulation and management, human resource management as well on management of assets in the United Nations peacekeeping operations.
5. Our Group has noted that a total of 55 recommendations were issued for the 2015/16 period compared to 31 recommendations issued for the 2014/15 period. However, implementation continues to be inadequate as evidenced by implementation of

some recommendations delaying until overtaken by events. The Group therefore strongly urges the administration to upscale its efforts in instituting deliberate mechanisms to effectively implement in full the Boards' recommendations in a timely manner. The Group will stand ready to consider any proposal which the administration may find necessary in facilitating the implementation of any recommendation which may require the approval of the General Assembly.

6. Despite the recurrence of related or same recommendations from previous audits, some weaknesses including inadequate concrete action being taken by the Secretariat continue to be visible especially on budget formulation, contracting, procurement, asset management and financial prudence. We hereby wish to encourage the Secretariat to expeditiously address the apparent challenges, omissions and inactivity.

7. Our Group would like to encourage the Secretariat to always endeavour to provide sufficient and relevant data and information in a timely manner and undertake necessary quality assurance measures so as to avoid the possibility of errors as witnessed in the current report.

**Madam Chair,**

8. The Group is concerned over a number of revelations which will be pursued further for explanations and/or clarifications during the informal consultations. These include but are not limited to:

- Large amounts of long outstanding inter-agency accounts receivables.
- Redeployments between and within different groups of expenditure.
- Problems with assets valuation.
- Management of cost recovery procedures.
- Continued over-reliance on consultants and individual contractors.
- Fraud and presumptive fraud.
- Persistent inadequate compliance with the air travel management policy.
- Insufficient environmental and waste management.

9. In conclusion, the Group of 77 and China would like to assure you, Madam Chair, of our willingness and readiness to engage constructively during the informal consultations so as to conclude this agenda item at the earliest opportunity.

I thank you Madam Chair.