



Please Check Against Delivery

**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. DHISADEE CHAMLONGRASDR, COUNSELLOR, PERMANENT MISSION OF THE KINGDOM OF THAILAND TO THE UNITED NATIONS, ON AGENDA ITEM 131 : FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS AND REPORTS OF THE BOARD OF AUDITORS, AT THE SECOND PART OF THE RESUMED SEVENTIETH SESSION OF THE FIFTH COMMITTEE OF THE UNITED NATIONS GENERAL ASSEMBLY (New York, 9 May 2016)**

Mr. Chairman,

1. I have the honor to speak on behalf of the Group of 77 and China on agenda item 131: Financial Reports and Audited Financial Statements, and Reports of the Board of Auditors in particular on the accounts of the peacekeeping operations.

2. At the outset, the Group would like to thank Mr. Salhina Mkumba, Director of External Audit of the United Republic of Tanzania and Chair of the Audit Operations Committee for introducing the Volume II of the Board of Auditors' report. The Group would also like to extend the appreciation to Ms. Bettina Tucci Bartsiotas, Assistant Secretary-General, and Controller and Mr. Carlos Ruiz Massieu, Chair of the Advisory Committee on the Administrative and Budgetary Questions, for introducing the related reports of the Secretary-General and the Advisory Committee respectively.

3. The Group would like to commend the Board of Auditors for the critical role it continues to play as the independent external audit and oversight body of the United Nations in ensuring that the principles of fair presentation and full disclosure of financial statements of the United Nations Peacekeeping Operations are adhered to. The Group continues to be impressed by the timely submission, reader-friendly format as well as the high quality of the Board's reports.

Mr. Chairman,

4. The Group of 77 and China has taken note that the current financial statements audited by the Board of Auditors were prepared and audited in accordance with the IPSAS standard. The Group welcomes the efforts taken by the organization aimed at strengthening the system and process for the preparation of the financial statements resulting in greater accuracy and reduction in the number of errors requiring rectification. The Group would like to encourage continued efforts to strengthen IPSAS-based accounting processes and, in particular, to train staff at the field missions.

5. The Group also notes that, for the current period, the Board issued a total of 13 main recommendations as compared to 21 issued in the previous report reflecting a decrease of 8 recommendations. However, the Group also notes that the same areas continue to be the main challenges for the administration.

6. The Group has taken note that the rate of implementation of the recommendations of the Board remained more or less static with marginal increase from 51 per cent in 2013/2014 to 52 per cent in 2014/2015.

7. The Group would like to once again stress the importance of implementing the recommendations of the Board in full and in a timely manner. The Group continues to believe in the need for the administration to continue to take practical measures to set the timeframe and priorities for the implementation of the Board's recommendations and to hold the office-bearers accountable for any shortcomings.

8. The Group is also aware that implementation of some recommendations require substantive and often systemic action, necessitating a longer time frame for compliance and we would like to stress that, the administration should present specific proposals for those issues that require change of system for Member States' consideration and approval.

**Mr. Chairman,**

9. The Group of 77 and China has examined specific observations, comments and recommendations of the Board related to budget formulation; asset and financial management; strategic deployment stocks; management of travel and air transportation including underutilization of the unmanned aerial vehicles; procurement and contracting; implementation of the Global Field Support Strategy (GFSS) as well as issues related to the information communications technology.

10. On the implementation of GFSS, the Group is concerned that despite progress, there remain significant shortfalls to achieve the end-state vision in implementing the Strategy. The Group will seek further information on this issue during the informal consultations.

11. The Group also notes that there are other areas that need urgent improvement in particular those related to enterprise risk management, provision of medical services and environmental protection as well as waste management in the field missions.

12. The Group has learned with serious concern the increase of cases of fraud and presumptive fraud reported by the administration from 39 cases in 2013/2014 to 52 cases in 2014/2015. The Group shares the view of the Board and would like to underline the need for greater emphasis for fraud awareness as well as mechanism for fraud prevention across the organization. The Group will follow closely these matters during our informal consultations.

**Mr. Chairman,**

13. The Group of 77 and China would like to assure you of its readiness to engage constructively with other delegations in the informal deliberations of this important agenda item with the aim of concluding it in a timely manner.

**I thank you, Mr. Chairman.**

\*\*\*\*\*