



**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 ITEM:
133. FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS & REPORTS
OF THE BOARD OF AUDITORS
(New York, 24 October 2017)**

Mr. Chair,

1. I have the honor to deliver this statement on behalf of the Group of 77 and China on agenda item 133, entitled "Financial reports and audited financial statements, and reports of the Board of Auditors".
2. At the Outset, the Group of 77 and China would like to thank Mr. Anand M. Bajaj, Director of External Audit of India and Chair of the Audit Operations Committee of the Board of Auditors for introducing the reports of the Board of Auditors for the financial year ending 31 December 2016. The Group also wishes to thank Ms. Bettina Tucci Bartsiotas, Assistant Secretary-General, Controller as well as Mr. Carlos Ruiz Massieu, Chair of the Advisory Committee on Administrative and Budgetary Questions for introducing the respective related reports.
3. The Group of 77 and China maintains its tradition of attaching great importance to the work of the Board of Auditors in discharging external oversight of the Organization and on this note, expresses appreciation for the continued high quality of the Board's reports and its attendant recommendations. We also welcome the submission of the audited financial statements for the year ended 31 December 2016.

Mr. Chair,

4. The Group notes that all the audited entities were issued once again with unqualified audit opinion and we would like to emphasize the need for entities to sustain the gain achieved while addressing the identified weaknesses.
5. The Group is pleased to learn that the financial health of the United Nations as a whole remains sound. However, we would like to draw attention to the potential of employee benefits liability decimating the regular budget over time should it remain unfunded.
6. With regard to the development agenda, the Group takes note of the development of the measurement methodology for the indicators of the SDGs, in particular tier 3. The Group urges the avoidance of any delays in the finalization of methodologies and standards for the collection of data for tier III indicators as a delay would impede the measurement of progress of up to one third of the SDG targets. The Group wishes to echo that the work of measurement of progress

towards the achievement of all the targets can commence only after methodologies for measuring all indicators have been finalized.

7. Procurement is an area the Group has always paid attention to and hence takes note of the fact that procurement authority is not delegated in a structured and well-organized manner as it is driven more by tradition than by substantive requirements. As a result, the Group notes that the organization and structure of procurement authority, responsibilities and accountability need to be clearly defined and developed.

8. The Group also expresses its concerns regarding the lack of monitoring of the Secretariat in the implementation of the Secretary-General's bulletin on employment and accessibility for staff members with disabilities in the United Nations Secretariat. The Group also wishes to point out that the work days lost due to mental health disorders could constitute a source of institutional risk to the Organization.

Mr. Chair,

9. The level of investment in Umoja has, in no doubt, been immense. We, as a consequence, look forward to the deployment of Umoja opening new avenues for the redrawing of the processes of the Organization to deliver better value. The Group anticipates the Secretariat leveraging this opportunity to overcome deficiencies such as that found in the process of collecting and collating information for submission to the actuary for valuation of employee benefits liabilities.

10. The G-77 and China is of the view that the implementation of audit recommendations has fallen short. The Group shares the view that there is a need for the different United Nations entities and for the Secretariat to work towards the implementation, and eventual closure of old audit recommendations. In this regard, the Group welcomes all efforts of the Board aimed at increasing the rate of implementation of audit recommendations. Going forward, the Group will follow with keen interest, matters related to the implementation of audit recommendations in the context of the next report on the accountability system in the Secretariat.

11. In conclusion, the Group of 77 and China wishes to assure you of a constructive engagement on this agenda item during informal consultations with a view to concluding in a timely manner.

I thank you Mr. Chair.