

**Opening Statement to the Fifth Committee  
on the Report of the Board of Auditors on United Nations Peacekeeping Operations  
for the period from 1 July 2021 to 30 June 2022  
(A/77/5 (Vol. II))**

**1 May 2023**

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Mr. Chairman,  
Distinguished Delegates,

I am pleased to introduce the report of the Board of Auditors on the United Nations peacekeeping operations for the financial year ended 30 June 2022. The report is the result of the collective effort of the Members of the Board namely: Chile, China and France.

France, as the new lead auditor of the peacekeeping operations, audited peacekeeping operations at UN Headquarters, three missions, the UN Global Service Center (GSC) and the Regional Service Centre Entebbe (RSCE). China audited five missions and Chile three.

**Audit Opinion**

The Board has issued an unqualified opinion. This means that the financial statements present fairly, in all material respects, the financial position of the United Nations peacekeeping operations as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with IPSAS.

**Follow-up of recommendations**

The Administration had to implement 41 recommendations of previous audit reports. It implemented 19 recommendations, 21 remained under implementation and 1 was overtaken by events.

The current report provides 20 new recommendations, 8 on risk management, 8 on budget and finance and 4 on supply chain management.

## **Key findings**

### a) Risk management

The Board pays particular attention to the audit of United Nations risk management in the area of peacekeeping operations. All the its recommendations have been accepted by the Administration. We would like to insist on three of them which we believe to be particularly critical to ensure a more mature and useful management of risks:

- in paragraph 75 of our report, the Board recommends that the Administration provide the appropriate elements to fuel a strategic discussion at the level of the legislative bodies, with a view to building a more consensual, sound and practical basis for risk-taking in peacekeeping operations;
- in paragraph 139, the Board recommends that the Administration clarify the roles of the first and second lines of defence in the management of risks, taking concrete steps to increase their empowerment, involvement and accountability;
- and in paragraph 204, the Board recommends that the Administration conduct a thorough review of all the existing accountability requirements on peacekeeping operations, in order to better streamline and articulate risk management with key internal control, strategic programming, budgeting and performance frameworks.

### b) Budget and finance

Regarding budget and finance, the Board particularly underlines issues related to:

- the implementation cross-borrowing mechanism between missions,
- the accumulated surplus of the cost-recovery fund,
- a liability related to two peacekeeping missions closed in the 1960s,
- the reconciliation between general accounting and budgetary accounting based on statement V of the financial statements,
- and the valuation of employee benefits liabilities (\$1,5 billion in June 2022).

c) Supply chain management

As concerns supply chain management, the Board notably looked at several areas, including:

- the quality of resource and demand planning,
- and the implement the category management reform launched in 2019.

Some other audit observations are also made, including on the necessity to find a sustainable funding solution for the acquisition of a new equipment for UNMISS, or on the importance of better managing medicines and medical supplies in peacekeeping missions.

**Final remarks**

That concludes my opening statement. As always, the Board stands ready to answer your questions.

Thank you for your kind attention.

Handwritten signature in black ink, consisting of the Chinese characters '胡学文' (Hu Xuwen).

**Xuwen Hu**  
**Chairman, Audit Operations Committee**  
**Director of External Audit, China**