

**Statement of the Chairman of the Advisory Committee on Administrative and Budgetary Questions.**

**Financial reports and audited financial statements and reports of the Board of Auditors for the period ended 31 December 2010 and implementation of the recommendations of the Board relating to the biennium 2008-2009**

*Reports of the Board of Auditors: A/66/5(Add.5), A/66/139, ACABQ report: A/66/377*

Mr. Chairman,

I am pleased to introduce the Advisory Committee's report (A/66/377) on the report of the Board of Auditors (A/66/5/Add.5) on the financial statements of the voluntary funds administered by the United Nations High Commissioner for Refugees for the year ended 31 December 2010, as well as the Board's report (A/66/139) on the implementation of its recommendations relating to the biennium 2008-2009.

With respect to UNHCR, the Advisory Committee noted that the Board of Auditors had issued an unmodified opinion for the year ending 31 December 2010. Given that the Board had highlighted two emphases of matter for 2009, the Committee welcomes the progress made by UNHCR which led to the issuance of an unmodified opinion.

However, the Advisory Committee notes that the Board has raised concerns about a number of aspects of financial, risk and performance management in UNHCR. While the

Advisory Committee recognises the challenges arising from the operational environment in which UNHCR operates, it expects that UNHCR will take the necessary measures to address the issues raised and to ensure full and timely implementation of the Board's recommendations.

The Advisory Committee has highlighted, in particular, the need for the weaknesses noted by the Board in the areas of financial management control to be addressed in order to ensure successful implementation of the International Public Sector Accounting Standards in 2012.

Mr, Chairman,

With regard to the report on the status of implementation of the Board's recommendations related to the biennium 2008-2009 (A/66/139) the Advisory Committee noted a slight decrease in the number of recommendations which had been fully implemented when compared to the previous biennium.

The Committee reiterates its call for the full and rapid implementation of the Board's recommendations. It underscores the importance of senior management attention and also that the root causes of the problems noted by the Board are identified and effectively addressed.

Thank you, Mr. Chairman.