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Agenda Item 131

Financial reports and audited financial statements, and reports of the Board of Auditors

FIFTH COMMITTEE

Statement by

Ms. María Eugenia Casar
Assistant Secretary-General, Controller

7 May 2012

Mr. Chairman,

Excellencies

Distinguished Delegates,

I have the honour to introduce the report of the Secretary-General on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the financial period ended 30 June 2011, contained in document A/66/693. The report provides additional information, where necessary, in response to the recommendations of the Board of Auditors contained in its report (A/66/5 (Vol. II)). Details are only provided where the Secretariat considered that additional information was required over and above the comments of the Administration already included in the report of the Board. This additional information is provided in Part III of the Secretary-General's report.

The Secretary-General's report also takes into account the provisions of paragraph 9 of resolution 62/223 B that requested the Secretary-General to provide a full

explanation for the delays in implementation of the recommendations of the Board from prior periods. The requested information on these recommendations is provided in Part IV of the Secretary-General's report.

This report takes into account the request of the General Assembly, contained in paragraph 14 of its resolution 65/243 B, which requires the Secretary-General to continue to indicate an expected time frame for the implementation of the recommendations of the Board as well as the priorities for their implementation, information on the status of implementation, and the office responsible. This information is provided for both the new recommendations contained in the present report of the Board, and for outstanding recommendations from previous reports of the Board.

It is recalled that, while expressing an opinion on the financial statements relating to Peacekeeping Operations, the Board had in earlier years included 'emphasis of matter' or 'other matter' paragraphs, drawing attention to the weaknesses in the management of assets. In the present report, the Board's audit opinion on the financial statements does not include any such 'emphasis of matter' or 'other matter' paragraphs. I would like to draw attention to the fact that the Board has explicitly recognized that improvements continued to be made in 2010/11, and that programmes were underway to address the issues related to the management of assets, specifically in the context of the implementation of the International Public Sector Accounting Standards (IPSAS).

It has also been recognized that some areas, such as the physical verification of assets, and the creation of unliquidated obligations, are showing a trend of continuous improvement, demonstrating the efforts made by the Administration to address the Board's concerns in the previous reports. At the same time, we are acutely aware that the implementation of IPSAS will raise the bar again and, therefore, we have to continue to aggressively address the control aspects in these areas.

With regard to the implementation of 52 recommendations from the 2009/10 period, 44 per cent were fully implemented, and 56 per cent were partially implemented. An improvement in the monitoring of the implementation of its recommendations and the guidance to the missions has also been noted by the Board.

The Secretary-General has noted the specific concerns expressed by the General Assembly in resolution 65/243 B regarding a) non-expendable and expendable property; b) unliquidated obligations; c) the identification of root

causes of recurring recommendations; and d) accountability of managers for implementation of recommendations. The current status of action on these items is summarized in Part II of the Secretary-General's report.

Mr. Chairman,

Distinguished Delegates,

I wish to emphasize the Secretariat's commitment to the full and timely implementation of the Board of Auditor's recommendations, and note the positive contribution that the implementation of the recommendations makes to improve the efficiency and effectiveness of the Organization.

I would like to thank the Board for the constructive manner in which they engage with the Secretariat in carrying out its oversight responsibilities.

Thank you.