

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

Report of the Board of Auditors on United Nations peacekeeping operations for the 12-month period from 1 July 2010 to 30 June 2011

Statement by the Chairman of the Advisory Committee on Administrative and Budgetary Questions to the Fifth Committee

(ACABQ report A/66/719)

Mr. Chairman,

I am pleased to introduce today the Advisory Committee's report on the report of the Board of Auditors on United Nations peacekeeping operations for the period ending 30 June 2011 (A/66/719).

The Advisory Committee considers that the observations and recommendations of the Board provide valuable insights with respect to resource and management issues pertaining to peacekeeping operations. As such, the Committee continues to draw on the Board's findings to inform its consideration of the budget proposals of individual peacekeeping operations and with respect to cross-cutting issues.

The Committee has commented, as it deems appropriate, on the main recommendations of the Board of Auditors in its report. While the Committee stresses the importance of all recommendations of the Board being implemented in a timely manner, it considers that action to address deficiencies which are found to be systemic in nature should be given the highest priority. In this regard, the Committee considers that the Board plays an important role in identifying such systemic issues in peacekeeping operations.

To effectively tackle these issues, however, requires that their root causes be addressed. In this regard, the Committee notes that in his report on the implementation of the recommendations of the Board of Auditors, A/66/693, the Secretary-General highlights a number of factors, including high vacancy rates and obsolete systems, which he feels are the root cause of most of the recurring audit recommendations. The Committee is of the view, however, that the issues highlighted are within the purview of the Administration to address. Furthermore, the Committee considers that the deficiencies noted by the Board of Auditors must also be seen, at least in part, as being reflective of managerial weaknesses as well as shortcomings in internal controls and oversight. The Committee reiterates its view that ensuring that appropriate action is taken in respect of such weaknesses is an integral component of an effective accountability framework.

During its session, the Advisory Committee also considered the Note by the Secretary-General on the proposal to clarify and enhance the role of the Board of

Auditors in the conduct of performance audits (A/66/747). In doing so, the Committee met not only with the members of the Audit Operations Committee of the Board of Auditors, but also subsequently with representatives of the Secretary-General and of the Office of Internal Oversight Services. The report of the Committee on this issue will be submitted to the General Assembly during its second resumed session.