

Note by the Secretary-General: Report of the Board of Auditors on enhancing accountability, transparency and cost-effectiveness in the United Nations system: proposal to clarify and enhance the role of the Board of Auditors in the conduct of performance audits

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

*Note by the Secretary-General, A/66/747 and Corr.1
ACABQ report, A/66/806*

Mr. Chairman,

I am pleased to introduce the Advisory Committee's report (A/66/806) on the report of the Board of Auditors on proposals to clarify and enhance the role of the Board in the conduct of performance audits (A/66/747 and Corr.1).

The Advisory Committee considers that the role of the external auditor remains fundamentally different from that of internal audit and therefore recognizes the importance of the General Assembly being able to avail itself of the independent opinion of the Board of Auditors. In this regard, the Committee is of the view that the performance audits carried out by the Board continue to make a positive contribution. As such, while recognizing the limitations that the impact of the implementation of IPSAS may have on its capacity to undertake additional performance audits, the Committee, in principle, sees merit in an increased role of the Board in the conduct of such audits.

Having said that, the Advisory Committee does not consider that the United Nations Financial Regulations and Rules, as currently formulated, cause any notable impediment to the Board's ability to carry out additional work in this area. As such, the Committee does not see the need for regulation 7.5 to be revised, as is proposed.

The proposals of the Board of Auditors take into account the impact on its workload of the annual reporting requirements under IPSAS. In this regard, the Committee notes the Board's proposal to streamline its long-form reports and to only issue short-form reports in the case of low-risk entities. The Committee considers that the observations and recommendations in the Board's long-form reports provide important insights in terms of resource and management issues which are beneficial to the General Assembly and other legislative/governing bodies of the United Nations system organizations. The Committee therefore recommends that the Board should continue its current practice of producing both short-form and long-form reports for each entity.

Mr. Chairman,

With respect to the proposal that the Board would seek the concurrence of the Advisory Committee to produce topic-specific reports by presenting its forward

programme of work to the Committee at the beginning of an audit cycle, it is not considered necessary to establish such a formal mechanism. The Committee is of view, however, that its ongoing dialogue with the Board could include discussions as to suitable topic-specific audit reports which may be requested of the Board in accordance with regulation 7.7.

The Advisory Committee also shares the view that the Board should be able to bring major issues and concerns to the attention of the General Assembly when it deems it necessary to do so. The Committee remains willing to engage with the Board on any such issues which may arise, but considers that this can best be achieved within existing arrangements. As such, the Committee trusts that when the Board deems it appropriate to do so, it will bring such matters to the Committee's attention.

Thank you, Mr. Chairman