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**Statement by Natalia Mahmud, Adviser for UN Management and Reform**

**On Agenda Item 130:**

**Financial and Board of Auditors Reports**

**Before the Second Resumed Session of the Fifth Committee**

**69<sup>th</sup> General Assembly**

**Monday, May 4, 2015**

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Thank you, Mr. Chairman.

The United States expresses gratitude to the Chair of the Audit Operations Committee, Mr. Kitauli and his team for conducting these important audits. We also thank the Controller, Ms. Tucci-Bartsiotas, for introducing the Security-General's report on implementation and the Chairman of the ACABQ, Mr. Ruiz-Massieu, for introducing the Committee's report on the Board's work.

Expert oversight of the United Nations operations and finances is crucial to enable peacekeeping missions achieve their mandates efficiently and effectively. We commend the Secretary-General for increasing the rate of implementation of the Board's recommendations for the 2012/2013 financial period compared to the previous period. We recognize the Secretary-General's efforts in ensuring that the 2013/2014 financial statements for peacekeeping missions were IPSAS compliant.

Mr. Chairman, we would like to address a few areas of interest for the United States related to the Board's recommendations. We echo the Board's concern regarding the need to strengthen budget formulation processes. One area that requires particular attention is travel management, given that travel expenditures exceeded the approved budget by 25 percent over the past year, and under-utilization of flight hours increased to 20 percent in 2013/2014. We also join the Board in requesting that the Strategic Air Operations Centre of the UN Global Service Centre identify economies and efficiencies in flight operations.

Asset management remains another area of concern. While we recognize the efforts made by the Secretary-General towards better asset management, we share the views of the Board and ACABQ that missions need to closely monitor the level of ageing stock and follow existing procedures for equipment not in use. Missions

should also ensure proper assessment of requirements to warrant use of purchased items.

Effective procurement and contract management allow missions to carry out their functions with greater efficiencies, reduced costs, and improved performance. We are concerned with the Board's observation regarding delays in procurement processes and the need for better oversight of internal control mechanisms to ensure best value of resources by the missions.

Improving the effectiveness and efficiency of peacekeeping is not an easy endeavor and the United States recognizes the achievements already made by the Secretary-General to reform management practices across the United Nations. We look forward to continuing to work together to advance adherence to these practices that help sustain high-performing, cost-effective peacekeeping operations.

I thank you, Mr. Chairman.

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