

**Statement of the Chairman**  
**Advisory Committee on Administrative and Budgetary Questions**  
**14 October 2015**

**Financial reports and audited financial statements and reports of the  
Board of Auditors for the period ended 2014**  
*(ACABQ report A/70/380; related reports: see legend\*)*

Mr Chairman,

I am pleased to introduce the Advisory Committee's report on the financial reports, audited financial statements and reports of the Board of Auditors for the year ended 2014 for 19 entities of the United Nations system; the concise summary of the principal findings and conclusions of the Board; and the reports of the Secretary-General on the implementation of the Board's recommendations.

The Advisory Committee notes with satisfaction that all entities have received unmodified audit opinions from the Board of Auditors and continues to find the Board's presentation of cross-cutting themes useful. The Committee welcomes the high quality and easy-to-read structure of the reports but encourages the Board to ensure that its audit reports follow a consistent outline and format, so as to facilitate comparison across different entities.

The Board notes a decrease in the rate of implementation of its recommendations, as compared to the previous periods and the Advisory Committee concurs with the Board on the need to address those recommendations that have not yet been implemented in a timely manner. The Advisory Committee notes, however, that the annual IPSAS-mandated reporting cycle only started with the current reporting period, and that implementation statistics from prior periods may therefore not be directly comparable.

The Board reviewed major transformation initiatives and their coordination in several United Nations organizations. In particular, a number of concurrent transformation projects are underway in the United Nations Secretariat, including the Enterprise Resource Planning system (Umoja); the Global Service Delivery Model, the Information and Communication Technology Strategy, the Global Field Support Strategy, as well as various human resources and construction-related initiatives. The Advisory Committee concurs with the Board that the Administration should enhance its capability to coordinate business transformation projects and will provide its observations and recommendations in the context of its periodic reports on each of these topics.

On the use of human resources management, the Board observed that workforce planning in the Secretariat has remained in its beginning stages, despite the request of the General Assembly, in its resolution 68/252, that the Secretary-General develop a workforce planning system as a matter of priority. The Advisory Committee concurs with the Board that the United Nations Secretariat could consider reviewing lessons learned with regard to workforce planning from other United Nations entities, such as UNHCR and UNOPS, and will provide comments and recommendations in its related reports on Human Resources Management in the United Nations Secretariat.

Mr. Chairman,

On the specific question of the disclosures of fraud and presumptive fraud, the Board concluded that the overall levels of disclosures of fraud and presumptive fraud had decreased in 2014 but noted, with respect to the United Nations Secretariat, that a number of Departments and Offices had failed to report the details of fraud cases during the period. The Advisory Committee notes with concern that the Board was not in a position to provide assurance that the numbers reported and disclosed by Management of fraud cases in the United Nations Secretariat were either complete or accurate. In this connection, the Advisory Committee also emphasizes the essential role of the Office of Internal Oversight Services in all stages of the investigative process, including in terms of tracking the status of the different cases.

And, as a final point, I would like to emphasize that a single agreed definition of what constitutes fraud and presumptive fraud is essential for the development of effective counter-fraud policies in the United Nations system. Agreed definitions would, in the view of the Committee, ensure compatibility and comparability of related data across the United Nations system. The Committee believes that the United Nations System Chief Executives Board for Coordination would be best-placed to develop guidance in this regard.

Thank you, Mr Chairman.

\*Legend (related reports considered by the Advisory Committee)

1. United Nations (A/70/5 (Vol. I) and Corr. 1)
2. International Trade Centre (A/70/5 (Vol. III) and Corr. 1)
3. United Nations University (A/70/5 (Vol. IV))
4. Capital master plan (A/70/5 (Vol. V))<sup>a</sup>
5. United Nations Development Programme (A/70/5/Add.1)
6. United Nations Capital Development Fund (A/70/5/Add.2)
7. United Nations Children's Fund (A/70/5/Add.3)
8. United Nations Relief and Works Agency for Palestine Refugees in the Near East (A/70/5/Add.4)
9. United Nations Institute for Training and Research (A/70/5/Add.5)
10. Voluntary funds administered by the United Nations High Commissioner for Refugees (A/70/5/Add.6)
11. Fund of the United Nations Environment Programme (A/70/5/Add.7)
12. United Nations Population Fund (A/70/5/Add.8)
13. United Nations Human Settlements Programme (A/70/5/Add.9)
14. United Nations Office on Drugs and Crime (A/70/5/Add.10 and Corr. 1)
15. United Nations Office for Project Services (A/70/5/Add.11 and Corr. 1)
16. United Nations Entity for Gender Equality and the Empowerment of Women (A/70/5/Add.12)
17. International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 (A/70/5/Add.13)
18. International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 (A/70/5/Add.14 and Corr.1)
19. International Residual Mechanism for Criminal Tribunals (A/70/5/Add.15)
20. Seventh progress report on the enterprise resource planning project (Umoja) (A/70/369 and Corr. 1)
21. United Nations Joint Staff Pension Fund (A/70/9) (advance version)
22. Concise summary of the principal findings and conclusions contained in the reports of the Board of Auditors for the annual financial period 2014 (A/70/322, Corr.1 and Corr.2)
23. Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports on the United Nations and capital master plan for the year ended 31 December 2014 (A/70/338 and Corr. 1)
24. Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports on the United Nations funds and programmes for the year ended 31 December 2014 (A/70/338/Add.1)

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<sup>a</sup> Discussed in a separate report of the Advisory Committee.