



**Statement on behalf of the Member States of the European Union**

**By**

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**Minister Counsellor**

**Delegation of the European Union to the United Nations**

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**Fifth Committee**

**Item 131: Financial reports and audited financial statements, and reports of  
the Board of Auditors**

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**-- AS DELIVERED --**

Mr. Chairman,

I have the honour to speak on behalf of the Member States of the European Union.

The Candidate Countries Turkey, the former Yugoslav Republic of Macedonia\*, Montenegro\*, Serbia\* and Albania\*, the country of the Stabilisation and Association Process and potential candidate Bosnia and Herzegovina, as well as Ukraine, the Republic of Moldova, Armenia and Georgia align themselves with this statement.

At the outset, we would like to thank the Chair of the Audit Operations Committee of the Board of Auditors, Mr. Salhina Mkumba, for the presentation of the report of the Board of Auditors for the financial year that ended 31 December 2014. We would also like to thank the Deputy Controller of the Office of Programme Planning, Budget and Accounts, Mr. Chandru Ramanathan, for introducing the report of the Secretary-General on the implementation of the recommendations of the Board of Auditors. Finally, we would also like to thank the Chair of Advisory Committee on Administrative and Budgetary Questions, Mr. Carlos Ruiz Massieu, for presenting the recommendations of the Committee.

Mr. Chairman,

Let me state from the outset that we do regret the late issuance of the ACABQ report. We would like to, once again, reiterate the importance of the timely and simultaneous submission of all required documentation in all official languages, in particular for those time bound issues, which have implications for the 2016-2017 Regular Budget. This is key to inclusivity and transparency that will help us reach a successful negotiated outcome.

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\* *The former Yugoslav Republic of Macedonia, Montenegro, Serbia and Albania continue to be part of the Stabilisation and Association Process.*

Mr. Chairman,

The Member States of the European Union attach great importance to the role of the Board of Auditors. Through its high quality reports and useful recommendations, the Board has made an important contribution to the development of a sounder, more cost-effective and transparent UN system. The unqualified audit opinions of the Board have provided Member States with independent assessments on the use of Member States' funds. The Board's reports have also contributed to better governance and more efficient financial and operational management of the UN.

Mr. Chairman,

We welcome the findings and recommendations of the Board on the financial position of the United Nations, as well as its financial performance and cash flows, as expressed in its latest report, and would like to briefly comment on a few key points raised by the Board.

The Member States of the European Union support the Board's promotion of continuous improvement in financial management practices of the UN. We concur with the Board's assessment that a comprehensive set of managerial tools and methodological frameworks is crucial for the Organization's ability to identify and seize opportunities to better manage and reduce costs. We also agree that the United Nations should continue to improve its understanding of and insight into costs of its operations in order to manage them more effectively. In this regard we note the comments relating to Special Political Missions in the Board's report.

The Member States of the European Union welcome the efforts made by the Board to work together with the UN to develop a consistent approach to defining and reporting cases of fraud. We would like to express our concern at the lack of

progress made in implementing the previous recommendations made by the Board on this issue. We encourage the Organisation to take real steps to strengthen counter-fraud measures and develop a comprehensive strategy to this end.

Mr. Chairman,

The EU Member States recognize that the UN Administration is currently delivering a number of business transformation and modernization projects, such as IPSAS, Umoja and the Global Service Delivery Model, which, if fully and effectively implemented, should enhance transparency, efficiency and cost-effectiveness of the Organization's management. In this context, we commend the achievements made with respect to the roll-out of IPSAS throughout all entities. However, we note with concern the Board's observation that the financial expertise and structures paramount for the full utilization of its benefits appear to be absent.

In regards to business transformation, we concur with the Board on the need for a more harmonized approach to Organisation-wide business transformation and the need to establish an approach to managing and improving operations to enable continuous reform and improvements in departments. On enterprise risk management, we regret that the progress made has been insufficient and concur with the Board's view that the Administration still needs to find a comprehensive plan for its full implementation.

Regarding the management of its workforce, the UN's key resource, the EU Member States align themselves with the Board's opinion that the Organisation has to improve its efficiency and strategic focus of its human resources management.

Finally, we take note of the levels of implementation of the recommendations issued by the Board in its report on the financial year that ended with 31 December

2013, and continue to encourage the Secretary-General to ensure the full and timely implementation of all recommendations.

Mr. Chairman,

In conclusion, the Member States of the European Union would like to express, once again, their appreciation for the work of the Board, and their readiness to endorse the present report as a whole.

I thank you, Mr. Chairman.