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Statement by Brian Conroy, Counselor for UN Management and Reform

On

Agenda Item 131: Board of Auditors

At the Main Session of the Fifth Committee

70th General Assembly

October 14, 2015

The United States highly values the important work of the Board of Auditors. Expert oversight of the UN's operations and finances is crucial to ensuring that the United Nations meets Member State expectations. As at other large and complex international organizations, the UN's Member States need to rely on the expertise and insights that external auditors offer.

While external auditor findings and recommendations are crucial to good governance, the steps that Member States and the Secretariat take to address these recommendations are even more important. Without the will to take action to implement the recommendations that the Board of Auditors has presented, we will not succeed in equipping the UN to deliver its vital mission effectively and efficiently.

The Board of Auditors has found that the UN is in a stable and healthy financial situation. The opinion in the report on the organization's financial statements (A/70/5 Vol. 1) finds that the UN's financial statements fairly present the organization's financial position. Based on these findings, we can have confidence both in the integrity of the financial statements and also the strength of the UN's financial situation. We are also encouraged by the fact that 62 percent of the Board's prior recommendations are either completed, implemented, or under implementation.

We welcome the Board of Auditor's overall conclusions, especially the emphasis on changing the UN's culture related to financial management practices. We agree the UN must undergo a fundamental shift regarding financial resources, moving its focal point from transactional work to strategic planning and the implementation of priorities. This transformation would result in funds flowing more effectively to front-line activities in support of UN objectives, as opposed to propping up back-office functions. As the report so aptly states, "Becoming more efficient and cost-effective is no longer optional – it is essential."

Member States recognize the UN is faced with the unenviable task of implementing new and expanded mandates while subject to continuing fiscal constraints. This should not be seen as an obstacle, but rather a motivation for the UN to embrace the report's findings and recommendations – many of which merit careful attention. We are particularly concerned with the Board's finding that the UN is not taking the appropriate steps to maximize benefits from IPSAS, UMOJA, and other systems, such as Enterprise Risk Management. Through its

recommendations, the Board of Auditors clearly indicates the approach the UN should take to competently implement new systems such as Umoja and maximize their benefits, including transforming the finance function to a strategic value-adding service, as well as developing methodologies for measuring, analyzing, and reporting the full costs of activities. In addition, the Board recognizes the need to engage managers and staff on all aspects of this transformation, recommending training programs to enhance financial literacy and management across the UN.

We should take this opportunity to fully consider the substantial benefit to the UN from incorporating the Board of Auditor's recommendations into its everyday operations. By continuing to modernize its working methods, the UN can become more efficient and effective in providing vital and necessary services around the world.
