



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA  
BY MR LYLE DAVIDSON, COUNSELLOR AT THE PERMANENT MISSION OF THE REPUBLIC OF  
SOUTH AFRICA TO THE UNITED NATIONS, ON AGENDA ITEM 134: PROPOSED PROGRAMME  
BUDGET FOR THE BIENNIUM 2016-2017: IPSAS, AT THE MAIN PART OF THE SEVENTIETH  
SESSION OF THE FIFTH COMMITTEE OF THE UNITED NATIONS GENERAL ASSEMBLY**

**New York, 27 October 2015**

Mr. Chairman,

I have the honour to speak on behalf of the Group of 77 and China on agenda item 134: Proposed Programme Budget for the Biennium 2016 - 2017: IPSAS.

At the outset, the Group of 77 and China wishes to thank Ms. Bettina Tucci Bartsiotas, Assistant Secretary-General: Controller, for introducing the eighth progress report of the Secretary-General on the adoption of the International Public Sector Accounting Standards by the United Nations, as contained in document A/70/329. We also wish to thank Mr Carlos Ruiz Massieu, Chairman of the Advisory Committee, for introducing the Committee's related report, as contained in document A/70/7/Add.2.

Mr. Chairman,

The Group recalls that the General Assembly approved in resolution 60/283 the adoption by the United Nations of the International Public Sector Accounting Standards as a means of improving the Organization's accounting standards and hence efficiency in financial management. In this regard, the Secretary-General has submitted annual progress reports on the adoption of IPSAS to the General Assembly since 2008.

The Group of 77 and China, therefore, welcomes the eighth report on the progress of IPSAS implementation at the United Nations as well as throughout the United Nations System during the reporting period of September 1st 2014 to August 31<sup>st</sup> 2015.

The Group would like to take this opportunity to commend the important role played by the Board of Auditors during this process, in guiding the implementation of IPSAS throughout the United Nations System through its observations and recommendations.

Mr. Chairman,

The implementation of IPSAS represents a major step towards modernization of the United Nations System, and the Group, therefore, welcomes the issuance by the Food and Agricultural Organization (FAO) and the World Tourism Organization (UNWTO) as well as the United Nations, of their first IPSAS compliant financial statements for the financial year ended 31 December 2014, which means that all 24 organization of the United Nations system have become IPSAS compliant.

The Group would like to commend all United Nations system entities for the successful implementation of IPSAS and also for receiving unqualified audit opinions on their IPSAS compliant financial statements.

The Group concurs with the view of the Advisory Committee that, despite having achieved this important milestone, much work remains to harness the benefits of IPSAS. The Group notes that there is clear evidence that IPSAS is contributing to improved financial management processes across the Organisation and we would look forward to continued improvement in the future.

The Group understands that the challenge for the entities is to utilize the information under IPSAS as an instrument for the improvement of accountability, transparency, efficiency, control and financial sustainability of the Organization. In this regard, the Group requests the Secretary-General, as Chairman of the Chief Executive Board, to continue to coordinate all aspects related to the transmission from the United Nations System Accounting Standards to IPSAS, including the need to continue to gather, analyze and disseminate information with regards to the challenges faced, lessons learned, best practices and benefits realized by the Organization so as to further refine the implementation plans and strategies of the Organization until the full implementation of Umoja. The Group expects that the system-wide collaboration between entities on post-implementation IPSAS compliance matters will be sustained.

Mr. Chairman,

With regard to IPSAS implementation in peacekeeping operations, the Group looks forward to further information on the benefits of IPSAS implementation for peacekeeping operations. The Group concurs with the Advisory Committee that inefficient inventory management policies and practices remain of concern and increase the risk to the Organization of inventory damage and obsolescence.

The Group of 77 and China underlines the importance of sustaining IPSAS-compliance until the full implementation of Umoja. The Group nevertheless, remains concerned about the continue delay in the implementation of the Umoja enterprise resource planning system and the risk it poses for the realization of the full benefits of IPSAS. The Group will seek clarity on the progress made by the Umoja and IPSAS teams to mitigate any possible significant risks concerning the implementation of IPSAS and the benefits from its implementation.

Mr. Chairman,

The Group stresses the key role played by managers in ensuring the delivery of IPSAS benefits throughout the United Nations system, and in this regard, the Group welcomes the initiative to professionalize the financial role by developing highly-skilled financial managers. The Group looks forward to receiving detailed information on the outcome of this programme in future reports to the General Assembly.

Finally, the Group of 77 and China would like to assure you, of our commitment to work constructively with you and our partners in deliberations on this important agenda item.

I thank you, Mr. Chairman.