

Statement of the Chairman
Advisory Committee on Administrative and Budgetary Questions (ACABQ)
13 December 2016

**Financial reports and audited financial statements and reports of the
Board of Auditors for the period ended 2015**

*ACABQ report A/71/669) Related reports: see legend**

Madam Chairperson,

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 2015 for 20 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 regrets that the financial statements of 11 entities were submitted two months after the usual submission date due to challenges associated with the implementation of Umoja. The Board was therefore unable to provide its audit reports for the consideration of the Committee in a timely manner and in all six official languages. I would like to emphasize that the Committee expects that all future reports will once again be provided within the required timeframe, in accordance with the United Nations Financial Regulations and Rules, so as to allow sufficient time for their consideration by the General Assembly.

The Advisory Committee notes that all entities have received unqualified audit opinions from the Board of Auditors.

The Committee notes that the rate of implementation of the Board's recommendations has continued to decrease, which is cause for concern. I would like to highlight that here in New York, in the United Nations Secretariat, the rate of implementation has dropped from 11 per cent in 2014 to 9 per cent in 2015. Clearly, there is a need to address outstanding recommendations in a timely manner and a dedicated follow-up mechanism would be helpful in monitoring the implementation of the Board's recommendations.

On the specific question of the disclosures of fraud and presumptive fraud, the Advisory Committee concurs that there may be underreporting in the United Nations system and remains concerned that the Board was, again, not in a position to provide a level of assurance that the numbers reported and disclosed by management in the United Nations Secretariat were indeed reliable. However, the Advisory Committee welcomes the recent issuance by the Secretariat of an "Anti-fraud and anti-corruption framework of the United Nations Secretariat"¹ and looks forward to the Board's views thereon in the context of its next Volume I audit report.

¹ ST/IC/2016/25

Madam Chairperson,

And as a last point, I would like to highlight that the Board observed four years ago, that the United Nations Joint Staff Pension Fund should issue guidelines governing the selection and evaluation of external fund managers, as these are considered an investment decision, and not chosen in a procurement process. These guidelines have yet to be issued and the Committee trusts that the Board of Auditors will continue to follow up on the matter.

Thank you, Madam Chairperson.

*Legend (related reports considered by the Advisory Committee)

1. United Nations (A/71/5 (Vol. I))
2. International Trade Centre (A/71/5 (Vol. III))
3. United Nations University (A.71/5 (Vol IV
4. Capital master plan (A/71/5 (Vol. V))^a
5. United Nations Development Programme (A/71/5/Add.1)
6. United Nations Capital Development Fund (A/71/5/Add.2)
7. United Nations Children's Fund (A/71/5/Add.3)
8. United Nations Relief and Works Agency for Palestine Refugees in the Near East (A/71/5/Add.4)
9. United Nations Institute for Training and Research (A/71/5/Add.5)
10. Voluntary funds administered by the United Nations High Commissioner for Refugees (A/71/5/Add.6)
11. Fund of the United Nations Environment Programme (A/71/5/Add.7)
12. United Nations Population Fund (A/71/5/Add.8)
13. United Nations Human Settlements Programme (A/71/5/Add.9)
14. United Nations Office on Drugs and Crime (A/71/5/Add.10)
15. United Nations Office for Project Services (A/71/5/Add.11)
16. United Nations Entity for Gender Equality and the Empowerment of Women (A/71/5/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/71/5/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/71/5/Add.14)
19. International Residual Mechanism for Criminal Tribunals (A/71/5/Add.15)
20. Report of the United Nations Joint Staff Pension Fund (A/71/5/Add.16)^a
21. Fifth annual progress report of the Board of Auditors on the implementation of the United Nations enterprise resource planning system [Umoja] (A/71/180)^a
22. Concise summary of the principal findings and conclusions contained in the reports of the Board of Auditors for the annual financial period 2015 (A/71/558)
23. Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports for the year ended 31 December 2015 on the United Nations and the capital master plan (A/71/331)
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 2015 (A/71/331/Add.1)
25. Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its report on the United Nations for the year ended 31 December 2015 (A/71/331/Add.2)

^a Discussed in a separate report of the Advisory Committee.