

United Nations Nations Unies

BOARD OF AUDITORS
NEW YORK
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Opening Statement to the Fifth Committee on the Report of the Board of Auditors on the Capital Master Plan (CMP) for the year ended 31 December 2017

(A/73/5 Vol. V)

Madam Chairperson,

Distinguished Delegates,

On behalf of the Chairman, Mr. Rajiv Mehrishi, Comptroller and Auditor General of India and the other Board Members Mr. Kay Scheller, President of the German Federal Court of Auditors, Mr. Mussa Juma Assad, United Republic of Tanzania, I have the honour to introduce the main findings from the Board of Auditors report on the Capital Master Plan.

Background

The capital master plan is a complex, high value project to modernize, secure and preserve the architecture of the 1950s campus and improve operating efficiency of United Nations Headquarters without compromising day-to-day operations. The General Assembly approved the project in 2002. The anticipated final cost of the project is \$2,309.3 million. The present report on the capital master plan mainly focusses on the financial status of the project, project schedule and management of the campus.

Key findings

Present status

The construction work was completed by September 2017 and administrative closure of the project and all related contracts was expected by 31 December 2017. Presently, however, the main contractor has filed two notices of arbitration against the United Nations seeking indemnification, in the event it is required to settle substantial claims from its subcontractors. If the claims against the United Nations are upheld, the final project cost would increase by the settlement amount. In view of the ongoing litigations, Administration has delayed the closure of the CMP account till conclusion of the litigations.

Managing the campus

The Umoja Preventive Maintenance module was implemented in October 2017 for all mechanical, electrical, and plumbing equipment installed by the capital master plan as well as for selected legacy systems. The Board noted that there was no Business Intelligence report for maintenance actions in the module and the report for maintenance actions had to be generated manually which was very time consuming.

A physical verification was conducted in 2017. Out of the 1,555 assets physically verified, the Administration was unable to locate 266 assets (17.11 percent) having acquisition value of \$4.68 million. Administration informed that at as at March 2018, 99 assets were still to be located and 25 assets were under write off process.

The Board also noticed that maintenance of gift registry was not complete as required by the General Assembly resolution 63/270 of 7 April 2009. The Board noted that annual physical verification of the art and gifts was not being done.

Recommendations

Out of the 16 outstanding recommendations contained in the Board's reports, 4 (25 per cent) have been implemented and 12 (75 per cent) were under implementation.

This concludes my introductory statement. I, along with my colleagues, would be happy to provide any clarifications or additional information that the Committee may require.

Thank you.



Parama Sen
Director of External Audit, India
Chairperson, Audit Operations Committee