



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA
BY SAED KATKHUDA, SENIOR ADVISOR, MISSION OF THE STATE OF
PALESTINE TO THE UNITED NATIONS, ON AGENDA ITEM 132:
FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS AND
REPORTS OF THE BOARD OF AUDITORS, AT THE FIFTH COMMITTEE
DURING THE MAIN PART OF THE SEVENTY-FOURTH SESSION OF THE
UNITED NATIONS GENERAL ASSEMBLY
(New York, 11 November 2019)**

Mr. Chair,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 132: "Financial reports and audited financial statements and reports of the Board of Auditors".
2. The Group of 77 and China would like to thank Mr. Peter Korn, Director of External Audit and Chair of the Audit Operations Committee, Board of Auditors for introducing the reports of the Board for the financial year ending December 2018. The Group also wishes to thank Mr. Johannes Huisman, Director, Programme Planning and Budget Division, Office of Programme Planning, Finance and Budget as well as Mr. Cihan Terzi, Chair of the Advisory Committee on Administrative and Budgetary Questions for introducing the respective related reports.
3. The Group of 77 and China continues to attach great importance to the work of the Board of Auditors in discharging external oversight of the Organization. We also welcome the submission of the audited financial statements for the year ended 31 December 2018.

Mr. Chair,

4. The Group is pleased to note that all the audited entities have received unqualified audit opinions from the Board of Auditors. We call upon all entities to continue to strengthen their financial controls by addressing the weaknesses identified, while preserving the accomplishments thus far.
5. The Group notes that 13 entities had closed the financial year with a surplus, and that 4 had recorded a deficit. Despite these deficits, the Board had assessed that all entities had solvency and liquidity ratios that were generally sufficient. However, the

Group notes with concern that the United Nations peacekeeping operations had a cash ratio of just 0.45 in 2018, a further reduction from 0.66 in 2017, mainly due to non-payment of assessed contributions by Member States. The Board of Auditors also noted low liquidity in the regular budget in 2018. In this regard, the Group reiterates its call on all Member States to pay their assessed contributions in full, on time and without conditions.

Mr. Chair,

6. The Group notes with great apprehension that there has been further deterioration in the implementation of the Board's recommendations. Only 41 per cent, or just 353 of the 855 recommendations issued up to the year 2018, had been fully implemented, a substantial decrease from the already insufficient 48 per cent in 2017.

7. The Group stresses the need for all entities to undertake prompt actions to ensure that the accepted recommendations of the Board of Auditors are implemented as a matter of priority. In the spirit of the ongoing management reforms of the United Nations, we call upon the Secretary-General to put in place robust accountability mechanisms for unjustified delays in the implementation of audit recommendations.

Mr. Chair,

8. The Group will carefully review the reports and financial statements, to identify specific concerns and potential systemic issues. We will build on the findings contained in these statements in the discussions ahead, in particular with respect to the UN management reforms, the delegation of authority framework, Umoja, the United Nations Joint Staff Pension Fund, the Resident Coordinator system, ICT risks, the Strategic Heritage Plan and Procurement.

9. In closing, the Group of G77 and China would like to assure you of our readiness to engage constructively on this agenda item to strengthen the financial governance and accountability of the Organization and its entities.

10. Thank you, Mr. Chair.