



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MS. MEGAYLA AUSTIN, MINISTER COUNSELLOR OF THE PERMANENT MISSION OF THE COOPERATIVE REPUBLIC OF GUYANA TO THE UNITED NATIONS,
ON AGENDA ITEM 132: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (B) UNITED NATIONS PEACEKEEPING OPERATIONS AT THE SECOND RESUMED PART OF THE SEVENTY-FOURTH SESSION OF THE FIFTH COMMITTEE OF THE UNITED NATIONS GENERAL ASSEMBLY**

(New York, 7 May 2020)

Mr. Chair,

1. I have the honor to speak on behalf of the Group of 77 and China on agenda item 132: Financial Reports and Audited Financial Statements and Report of the Board of Auditors, on United Nations Peacekeeping Operations.
2. The Group wishes to thank the Audit Operations Committee, the Secretariat and the Advisory Committee for the submission of their respective reports.

Mr. Chair,

3. Let me begin by expressing the Group's long-standing recognition and appreciation of the role the Board of Auditors plays in this Organization. Its work as an external audit and oversight body of the United Nations is an essential tool for the functioning of the oversight system.
4. The quality of the Board's reports is a key element in helping the membership to keep track of the Organization's expenditures in Peacekeeping Operations and the efficient fulfillment of its mandates. The Group attaches great importance to the mission of the Board of Auditors, inasmuch as it provides detailed insight into the financial matters of the United Nations, complementing the oversight capacities of other oversight bodies. In this regard, the Group notes with appreciation the close coordination and collaboration of the Board with its counterparts within the UN System, in order to avoid unnecessary and undesired duplication of efforts and resources.
5. The Group has thoroughly examined this year's report. From the total 43 recommendations that have been issued by the Board to the Administration in the current report, 19 have been categorized as "main recommendations", whose implementation is expected to take priority over

the remaining ones. Whereas the Group trusts all endorsed recommendations will be fully implemented as soon as practicable, we expect this prioritization to be observed by the Administration.

6. In reference to recommendations from previous periods, the Group was surprised to realize that, in its report, the Board of Auditors grouped under the category “not implemented” the eight recommendations which the General-Assembly had explicitly requested the Administration not to implement, according to paragraph 5 of Resolution 73/268B. We reiterate that Member States have an undisputed mandate to oversee all administrative and budgetary matters of the Organization, including the analysis of the Auditors' recommendations and their merit. As such, if the General Assembly, in its sovereign authority, decides to avert the implementation of a recommendation, it should no longer be considered not implemented much less pending, but rather deemed a closed matter. The Group trusts this will be duly reflected in future issues of the Board's reports.
7. The Group also welcomes the submission of a separate ACABQ Report under the specific agenda item related to work of the Board of Auditors, as requested by the General Assembly in Resolution 73/268B. This practice enables Member States to better keep track of the Organization's expenditures in Peacekeeping Operations and the fulfillment of its mandates. It also greatly enhances transparency, allowing for an overall improved decision-making process.

Mr. Chair,

8. As the Group reiterates its support and appreciation for the work of the Board of Auditors, it also emphasizes that the Board, as any other body of the Organization, should always strictly abide by its mandate while fulfilling its mission. The Board of Auditors is expected to refrain from delving into matters that pertain to other UN entities, especially those under the purview of Member States in the framework of intergovernmental bodies such as the Special Committee on Peacekeeping Operations (C-34).

Mr. Chair,

9. The Group notes the recurrence of similar or related recommendations from previous audits, as well as the emergence of new goals with respect to peacekeeping operations. The present report highlights significant shortcomings in relation to memorandums of understanding with Troop and Police Contributing Countries, including the recurrent practice of units being deployed before a MoU is signed. Similarly, the report notices the persistent issue of outstanding memorandums not being finalized even after a protracted period of time. This matter is of great importance to the Group. We look forward to our discussions in the upcoming consultations to examine how the Secretariat can expeditiously address the issues identified.

10. The Group is concerned over a number of other points raised by the Board and will seek clarifications thereon during the informal consultations. These issues include but are not limited to:

- Weaknesses in Human Resources Management, including incorrect payment and retention of benefits;
- Deficiencies regarding the accuracy of After-service health insurance actuarial data provided by the Organization, including a confusion in the liabilities for retirees relating to the source of resources;
- Need for better and more transparent procurement practices and supply chain management;
- Weaknesses in using Umoja's capabilities in relation to the new delegation of authority;
- Need for a more thorough control of the Organization's several bank accounts, even more so in the current situation of liquidity difficulties.

11. The Group would also like to seek clarification on the capital ratios structure to better understand the impact of the liquidity crisis on the Organization's finances. Due to the unique situation of the UN, liquidity, expressed as the cash ratio, is perhaps one of the best measures of its financial health.

12. In closing, the Group would like to reassure you, Mr. Chair, of its readiness to engage constructively in the informal consultations, to conclude this agenda item at the earliest opportunity.

I thank you.