



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA
BY AMBASSADOR BOUBACAR DIALLO, G-77 COORDINATOR,
PERMANENT MISSION OF THE REPUBLIC OF GUINEA TO THE UNITED NATIONS,
ON AGENDA ITEM 135: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND
REPORTS OF THE BOARD OF AUDITORS, AT THE FIFTH COMMITTEE DURING THE MAIN
PART OF THE SEVENTY- SIXTH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY
(New York, 6 December 2021)**

Mr. Chair,

1. I have the honour to submit this written statement on behalf of the Group of 77 and China on agenda item 135: Financial reports and audited financial statements, and reports of the Board of Auditors.
2. At the outset, the Group of 77 and China would like to thank Ms. Valentina Monasterio Galvez, Director of External Audit and Chair of the Audit Operations Committee of the Board of Auditors, for introducing the reports of the Board of Auditors for the financial year ending 31 December 2020. The Group also wishes to thank Mr. Chandramouli Ramanathan, Controller, Assistant Secretary-General for Programme Planning, Budget and Finance, as well as Mr. Abdallah Bachar Bong, Chair of the Advisory Committee on Administrative and Budgetary Questions, for introducing the respective related reports.
3. The Group of 77 and China reiterates its position in attaching great importance to the work of the Board of Auditors in discharging external oversight of the Organization and on this note, expresses appreciation for the high quality of the Board's reports and its recommendations. We also welcome the submission of the audited financial statements for the year ended 31 December 2020.
4. The Group is pleased to note that the Board of Auditors was able to fulfill its important role for the United Nations despite the challenges imposed by the COVID-19 pandemic. We also value the fact that all the audited entities have received unqualified audit opinions. We call upon all entities to continue to strengthen their financial controls by addressing the weaknesses identified by the Board, especially the entities received an unqualified opinion with an emphasis of matter, while preserving the accomplishments thus far.
5. The Group notes that 12 entities had closed the financial year with a surplus, and that 5 had recorded a deficit, when those numbers were respectively 11 and 6. Despite these deficits, the Board had assessed that the solvency ratios and liquidity ratios were generally sufficient for all entities, and comfortably high for most of the entities. However, the Group notes with concern that the periodic cash shortage in the major part of regular budget in 2020, and the United Nations peacekeeping operations had cash ratios of less than 1 at 0.47, seeing a reduction from 0.49 in 2019, and the cash ratio was close to zero for several missions as at 30 June 2020, mainly due to non-payment of assessed contributions, or payment not paid in a timely manner. In this regard, the Group once again reiterates its call on all Member States to pay their assessed contributions in full, on time and without conditions.

6. The Group takes note with serious concern the balance of open commitments for the financial year ended 31 December 2020 was \$219.53 million, of which 479 fund commitments totaling \$122.85 million (56 per cent) had been established at year end with a posting date of 30 or 31 December 2020, and the Board noted that 23 fund commitments, with a balance of \$116.66 million, had been established with no supporting documents in December 2020, In addition, with no certifying officers for the creation of the fund commitments, which was non-compliant with the requirements of the Financial Regulations and Rules of the United Nations.

7. Turning to the status of the implementation of the recommendations of the Board, the Group notes that of the overall rate of implementation of the recommendations of the previous year was 48 per cent in 2020. Although this represents an increase compared to 41 per cent in 2019, it still has room for improvement compared to the 65 per cent rate realized in the biennium 2008-2009.

8. 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, and to hold programme managers accountable for the non-implementation of recommendations, as has been decided by the General Assembly on several prior occasions, notably on its last resolution on this agenda item, A/RES/75/242.

9. The Group notes with concern that, by the end of 2020, 21 of the 169 Sustainable Development Goal targets had matured, among which 18 targets had not been achieved. We are now less than a decade away from our target date of 2030. In this regard, the Group reiterates its call for the strengthening of the development pillar and for ensuring the related recommendations of the Board are implemented in a timely manner, and the root causes of the problems highlighted by the Board are effectively addressed.

10. The Group takes note with apprehension of the geographical and gender representation of the rosters of experts for Security Council subsidiary bodies, international electoral experts and mediation expert maintained by the Department of Political and Peacebuilding Affairs. Out of 871 experts (from 99 countries) on the roster for Security Council subsidiary bodies, 457 experts (53 per cent) came from the 10 most-represented countries. The Group reiterates the utmost importance of improving the geographical and gender representation.

11. The Group of 77 and China also notes the need to address, in a resolute manner, the issue of the transparency of the procurement, investment, extra-budgetary resources and partnership with the non-profit organizations and private sectors. The Group would like to mention the findings of the Board regarding the selection and usage of banks and brokers or dealers for cash and investment management, significant variances between planned and actual extra-budgetary posts for some departments, and issues relating to the United Nations Foundation. The Group believes the highest levels of transparency should be observed for the management of this organization.

12. The Group will carefully review the various 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 Delegation of Authority, assets management, the Resident Coordinator

system, ICT, the Strategic Heritage Plan and Procurement.

13. In closing, the Group of 77 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.

Thank you, Mr. Chair.