

United Nations  Nations Unies

BOARD OF AUDITORS

NEW YORK

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FIFTH COMMITTEE
OF THE GENERAL ASSEMBLY
AGENDA ITEM 127: FINANCIAL REPORTS AND REPORTS OF THE BOARD OF
AUDITORS

Excellency, Ambassador Rosenthal,

Thank you, Mr. Chairman for your very warm words of welcome.

It is a great privilege and honour to address the Fifth Committee after the adoption of the resolution on the reports of the Board of Auditors. Thank you for granting me this opportunity to address you.

The Board of Auditors is conscious of the great responsibility you carry in this committee. We are committed to being your partners in helping you discharge your responsibilities.

On behalf of the Board, I wish to place on the record, our greatest respect and gratitude to the Chairman, every Member State and delegate to the Fifth Committee. We also wish to especially thank the hard working chair of the informal sessions on this item, the coordinators who share the burden of studying the many volumes of reports we present, and acknowledge the special work of the Bureau and Secretariat. We are also indebted to the ACABQ and its Chairman for the pivotal role it plays in guiding the Board, reviewing our reports and reinforcing our messages.

The Board of Auditors is the oldest of the oversight functions of the UN. It is also no coincidence that it is the only independent function. This independence is achieved because the Board and its staff are not staff of the United Nations, and enjoy the highest levels of autonomy granted by the General Assembly. This independence is further supported through the selection and rotation of the Members of the Board, the objectivity with which the Board conducts the audits and reports without any restrictions on key issues that require the attention of Management and the Member States. I particularly wish register the Boards appreciation of manner in which Member States engage with the reports of the Board and, as you acknowledge in your resolutions, value the superior quality of our work.

We are very grateful for all your support and will continue our work in the way you have been accustomed. We are always looking to improve our product and the service we provide you; and to keep our audit in line with the changes in the rigorous standards that apply to our industry. One of the matters that the Board is especially proud of is the long record of the Fifth Committee's adoption and endorsement of all Board reports and recommendations, and we will continue to strive to deliver reports and recommendations that are always accepted. Your acceptance of our reports, together with the clear commitments the Secretary General and the Administrations make in their responses, provide the correct framework for continuous improvement, and resolution of issues.

We believe that the greatest need exists for us to continue delivering high quality reports, which every year reflects the changing risk environment of the United Nations, and your needs as member states. For this reason, I am particularly pleased that you are proposing in your resolution to support the request of the ACABQ for the Board to report annually to you on the progress with implementation of IPSAS. While the Board will formally consider the request early in December, we believe that as your external auditors, this is precisely the area where you rightly should expect our support and expertise.

The sort of work we will be able to do in the area of IPSAS will be to provide you with clear messages about risks, implementation challenges, and opportunities to extract the greatest value from world class financial reporting, and the new information and insights this will provide you on your costs and estimates. Our interactions with the Administrations are already beginning to reflect the fruits of this major reform initiative.

You will know from having carefully read our reports that the Board members have sounded a word of caution about the sustainability of current audit opinions, as IPSAS is implemented. In this regard, we encourage organisations that enjoy clean audit opinions now, to put more effort to continue to get clean audit opinions in the future. Where organizations have received unqualified audit opinions, we congratulate them and note also the increasingly stringent accounting and audit requirements. Where organizations have received modified audit opinions, all such significant issues need to be addressed to avoid further escalation while, at the same time, ensuring that new financial statement issues do not arise.

Mr. Chairman, please allow me to share with you some of the important developments that are taking place within INTOSAI (the International Organization of Supreme Audit Institutions). As the Board we are proud that we are each members of INTOSAI which later this month, will be hosting the INTOSAI Congress in Johannesburg. It is through INTOSAI that we derive greater benefits from a variety of dynamic supreme audit institutions (SAIs) with much expertise in the area of financial and performance audit. INTOSAI's efforts extend through its various regional structures to support and enhance the work of public accountability throughout the world. For this reason the launch of the ISSAIs (the International Standard of Supreme Audit Institutions) during the Johannesburg congress is one of the significant landmarks in the history of INTOSAI.