



# General Assembly

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## Fifth Committee

### Summary record of the 13th meeting

Held at Headquarters, New York, on Friday, 14 November 2014, at 10 a.m.

*Chair:* Ms. Rambukwella (Vice-Chair) ..... (Sri Lanka)  
*Chair of the Advisory Committee on Administrative  
and Budgetary Questions:* Mr. Ruiz Massieu

## Contents

Agenda item 132: Programme budget for the biennium 2014-2015 (*continued*)

*Construction and property management (continued)*

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*In the absence of Mr. Ružička (Slovakia), Ms. Rambukwella (Sri Lanka), Vice-Chair, took the Chair.*

*The meeting was called to order at 10.10 a.m.*

**Agenda item 132: Programme budget for the biennium 2014-2015 (continued)**

*Construction and property management (continued) (A/69/400 and A/69/571)*

1. **Mr. Cutts** (Assistant Secretary-General for Central Support Services), introducing the report of the Secretary-General on strengthening property management at the United Nations Secretariat (A/69/400), said that the report identified the improvements made to the property management framework in collaboration with property management stakeholders across many departments and duty stations. It highlighted the need to maintain the resources essential to continued efforts to appropriately manage property across the Secretariat.

2. The implementation of major administrative reform initiatives in the Secretariat, such as the adoption of the International Public Sector Accounting Standards (IPSAS) and Umoja, had significantly increased the scope and complexity of financial reporting, record-keeping and management of the diverse portfolio of assets held by the Organization. Those assets — currently estimated at \$4.1 billion taking into account property, plant and equipment, including assets under construction — represented a major investment by Member States. That figure was based on the unaudited opening balances for property, plant and equipment as at 1 January 2014 for United Nations operations listed under volume I of the financial statements of the Organization, and the unaudited closing balances for property, plant and equipment as at 30 June 2014 for volume II. The estimate did not include non-capitalized property, such as assets that fell below the capitalization recognition threshold or heritage assets, which still had to be managed and controlled. The total value of inventory was estimated at \$393.3 million.

3. The objectives of strengthening property management were to ensure the efficient and effective use of assets, to provide accurate and consistent reporting in compliance with IPSAS, and to protect the investments of Member States. The new, strengthened

property management framework supported a life-cycle approach to managing the real estate properties of the Organization and focused on proper stewardship and accounting for all Secretariat assets.

4. Substantial work had been undertaken in developing the strengthened framework through ad hoc deployments of interim resources at Headquarters and other duty stations. However, such ad hoc arrangements were not sustainable over the long term and adequate regularized resources were needed to continue the anticipated level of work. Further, as a result of the additional requirements resulting from the adoption of IPSAS, the Secretariat needed to develop new skill sets in order to attribute appropriate values to assets. Values throughout the useful life of an asset needed to be recorded in compliance with IPSAS rules, taking into account improvements and impairments affecting the value of the asset. The requirements for the new skill sets had been captured under generic job profiles for fixed asset management officers. The Secretary-General would submit resource requirements in the relevant budget submissions for Headquarters, offices away from Headquarters, regional commissions and field missions.

5. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/69/571), said that the Advisory Committee expected more detailed and analytical information on the Organization's assets to be included in the Secretary-General's reports to the General Assembly, especially in the light of such major administrative reforms as IPSAS and Umoja.

6. With regard to the use of vacant posts to support ad hoc arrangements for property management at Headquarters and away from Headquarters, posts should either be used for the purpose for which they were intended or be proposed for abolishment. The Advisory Committee had previously commented on the weaknesses in property management identified by the Board of Auditors and recognized that improvements were needed in that area. It considered that, should the Secretary-General wish to take action to strengthen property management in the Secretariat, he should submit specific proposals to the General Assembly with a clear business case, including a justification for any new staffing resources.

7. **Ms. Rios Requena** (Plurinational State of Bolivia), speaking on behalf of the Group of 77 and China, said that the Group had noted with concern the weaknesses in asset management and the deficiencies in asset disposal activities in liquidated missions. It stressed the importance of sound asset management in order to support the implementation of IPSAS and generate improved financial information. The Secretary-General should ensure implementation of the recommendations on property management by oversight bodies as well as the key programme tasks determined by the interdepartmental working group on property management, with a view to establishing a sound long-term property management framework.

8. With regard to resource requirements, the Group noted the need to reinforce the capacity for property management in the Secretariat and at offices away from Headquarters. However, it was concerned that the Secretary-General had been circumventing intergovernmental scrutiny by funding positions through the use of vacant posts on a temporary basis. Lastly, if the Secretary-General wished to take action to strengthen property management, including making changes to its structure, he should submit proposals with a clear business case, including full justification for staffing requirements. The Group was disappointed that approved posts had been used for purposes other than those for which they were intended.

*The meeting rose at 10.25 a.m.*