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Financial reports and audited financial statements, and reports of the Board of Auditors

Report of the Fifth Committee

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I. Introduction

1. At its 2nd plenary meeting, on 18 September 2015, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its seventieth session and to allocate to the Fifth Committee the item entitled:

“Financial reports and audited financial statements, and reports of the Board of Auditors:

“(a) United Nations;

“(b) United Nations peacekeeping operations;

“(c) International Trade Centre;

“(d) United Nations University;

“(e) Capital master plan;

“(f) United Nations Development Programme;

“(g) United Nations Capital Development Fund;

“(h) United Nations Children’s Fund;

“(i) United Nations Relief and Works Agency for Palestine Refugees in the Near East;

“(j) United Nations Institute for Training and Research;

“(k) Voluntary funds administered by the United Nations High Commissioner for Refugees;

“(l) Fund of the United Nations Environment Programme;



- “(m) United Nations Population Fund;
- “(n) United Nations Human Settlements Programme;
- “(o) United Nations Office on Drugs and Crime;
- “(p) United Nations Office for Project Services;
- “(q) United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women);
- “(r) International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994;
- “(s) International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991;
- “(t) International Residual Mechanism for Criminal Tribunals.”

2. The Fifth Committee considered the item at its 5th and 20th meetings, on 14 October and 15 December 2015. Statements and observations made in the course of the Committee’s consideration of the item are reflected in the relevant summary records.¹

3. For its consideration of the item, the Committee had before it the following documents:

(a) Financial reports and audited financial statements for the period ended 31 December 2014 and reports of the Board of Auditors on the United Nations (A/70/5 (Vol. I) and Corr.1), the International Trade Centre (A/70/5 (Vol. III) and Corr.1), the United Nations University (A/70/5 (Vol. IV)), the capital master plan (A/70/5 (Vol. V)), the United Nations Development Programme (A/70/5/Add.1), the United Nations Capital Development Fund (A/70/5/Add.2), the United Nations Children’s Fund (A/70/5/Add.3), the United Nations Relief and Works Agency for Palestine Refugees in the Near East (A/70/5/Add.4 and Corr.1), the United Nations Institute for Training and Research (A/70/5/Add.5), the voluntary funds administered by the United Nations High Commissioner for Refugees (A/70/5/Add.6), the Fund of the United Nations Environment Programme (A/70/5/Add.7), the United Nations Population Fund (A/70/5/Add.8), the United Nations Human Settlements Programme (A/70/5/Add.9), the United Nations Office on Drugs and Crime (A/70/5/Add.10 and Corr.1), the United Nations Office for Project Services (A/70/5/Add.11 and Corr.1), the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) (A/70/5/Add.12), the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 (A/70/5/Add.13), the International Tribunal for the Prosecution of Persons

¹ A/C.5/70/SR.5 and A/C.5/70/SR.20.

Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 (A/70/5/Add.14 and Corr.1) and the International Residual Mechanism for Criminal Tribunals (A/70/5/Add.15);

(b) Note by the Secretary-General transmitting the concise summary of the principal findings and conclusions contained in the reports of the Board of Auditors for the annual financial period 2014 (General Assembly resolution 47/211) (A/70/322 and Corr.1 and 2);

(c) Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports for the year ended 31 December 2014 on the United Nations and on the capital master plan (General Assembly resolutions 48/216 B, para. 7, and 52/212 B) (A/70/338 and Corr.1);

(d) Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports on the United Nations funds and programmes for the year ended 31 December 2014 (General Assembly resolutions 48/216 B, para. 7, and 52/212 B) (A/70/338/Add.1);

(e) Related report of the Advisory Committee on Administrative and Budgetary Questions (A/70/380).

4. At the 5th meeting, on 14 October, the Chair of the Audit Operations Committee of the Board of Auditors introduced the reports of the Board.

II. Consideration of draft resolution [A/C.5/70/L.8](#)

5. At its 20th meeting, on 15 December 2015, the Committee had before it a draft resolution entitled “Financial reports and audited financial statements, and reports of the Board of Auditors” (A/C.5/70/L.8), submitted by the Chair of the Committee on the basis of informal consultations coordinated by the representative of South Sudan.

6. At the same meeting, the Committee adopted draft resolution [A/C.5/70/L.8](#) without a vote (see para. 7).

III. Recommendation of the Fifth Committee

7. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

Financial reports and audited financial statements, and reports of the Board of Auditors

The General Assembly,

Recalling its resolution 52/212 B of 31 March 1998 and its decision 57/573 of 20 December 2002,

Recalling also its resolutions 69/249 A of 29 December 2014 and 69/249 B of 25 June 2015,

Having considered, for the period ended 31 December 2014, the financial reports and audited financial statements and the reports and audit opinions of the Board of Auditors on the United Nations,¹ the International Trade Centre,² the United Nations University,³ the United Nations Development Programme,⁴ the United Nations Capital Development Fund,⁵ the United Nations Children's Fund,⁶ the United Nations Relief and Works Agency for Palestine Refugees in the Near East,⁷ the United Nations Institute for Training and Research,⁸ the voluntary funds administered by the United Nations High Commissioner for Refugees,⁹ the Fund of the United Nations Environment Programme,¹⁰ the United Nations Population Fund,¹¹ the United Nations Human Settlements Programme,¹² the United Nations Office on Drugs and Crime,¹³ the United Nations Office for Project Services,¹⁴ the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women),¹⁵ the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994,¹⁶ the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former

¹ *Official Records of the General Assembly, Seventieth Session, Supplement No. 5*, vol. I and corrigendum (A/70/5 (Vol. I) and Corr.1).

² *Ibid.*, vol. III and corrigendum (A/70/5 (Vol. III) and Corr.1).

³ *Ibid.*, vol. IV (A/70/5 (Vol. IV)).

⁴ *Ibid.*, *Supplement No. 5A* (A/70/5/Add.1).

⁵ *Ibid.*, *Supplement No. 5B* (A/70/5/Add.2).

⁶ *Ibid.*, *Supplement No. 5C* (A/70/5/Add.3).

⁷ *Ibid.*, *Supplement No. 5D* and corrigendum (A/70/5/Add.4 and Corr.1).

⁸ *Ibid.*, *Supplement No. 5E* (A/70/5/Add.5).

⁹ *Ibid.*, *Supplement No. 5F* (A/70/5/Add.6).

¹⁰ *Ibid.*, *Supplement No. 5G* (A/70/5/Add.7).

¹¹ *Ibid.*, *Supplement No. 5H* (A/70/5/Add.8).

¹² *Ibid.*, *Supplement No. 5I* (A/70/5/Add.9).

¹³ *Ibid.*, *Supplement No. 5J* and corrigendum (A/70/5/Add.10 and Corr.1).

¹⁴ *Ibid.*, *Supplement No. 5K* and corrigendum (A/70/5/Add.11 and Corr.1).

¹⁵ *Ibid.*, *Supplement No. 5L* (A/70/5/Add.12).

¹⁶ *Ibid.*, *Supplement No. 5M* (A/70/5/Add.13).

Yugoslavia since 1991¹⁷ and the International Residual Mechanism for Criminal Tribunals,¹⁸ the note by the Secretary-General transmitting the concise summary of the principal findings and conclusions contained in the reports prepared by the Board of Auditors for the financial period 2014,¹⁹ the reports of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports for the year ended 31 December 2014 on the United Nations and on the capital master plan,²⁰ as well as on the implementation of the recommendations of the Board of Auditors contained in its reports on the United Nations funds and programmes for the year ended 31 December 2014,²¹ and the report of the Advisory Committee on Administrative and Budgetary Questions,²²

1. *Accepts* the financial reports and audited financial statements and the reports and audit opinions of the Board of Auditors for the above-mentioned organizations;¹⁻¹⁸

2. *Approves* the conclusions and recommendations contained in the reports of the Board of Auditors;

3. *Endorses* the conclusions and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions;²²

4. *Reaffirms* that the Board of Auditors shall be completely independent and solely responsible for the conduct of audits;

5. *Decides* to consider further the reports of the Board of Auditors on the International Criminal Tribunal for Rwanda,¹⁶ the International Tribunal for the Former Yugoslavia¹⁷ and the International Residual Mechanism for Criminal Tribunals¹⁸ under the respective agenda items relating to the Tribunals and the Mechanism;

6. *Commends* the Board of Auditors for the continued high quality of its reports and the streamlined format thereof;

7. *Takes note* of the reports of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its reports for the year ended 31 December 2014 on the United Nations and on the capital master plan²⁰ and on the implementation of the recommendations of the Board contained in its reports on the United Nations funds and programmes for the year ended 31 December 2014;²¹

8. *Reiterates its request* to the Secretary-General and the executive heads of the funds and programmes of the United Nations to ensure the full implementation of the recommendations of the Board of Auditors and the related recommendations of the Advisory Committee in a prompt and timely manner, to continue to hold programme managers accountable for the non-implementation of recommendations and to effectively address the root causes of the problems highlighted by the Board;

9. *Also reiterates its request* to the Secretary-General to provide in his reports on the implementation of the recommendations of the Board of Auditors a

¹⁷ Ibid., *Supplement No. 5N* and corrigendum (A/70/5/Add.14 and Corr.1).

¹⁸ Ibid., *Supplement No. 5O* (A/70/5/Add.15).

¹⁹ A/70/322 and Corr.1 and 2.

²⁰ A/70/338 and Corr.1, sects. I and II.

²¹ A/70/338/Add.1.

²² A/70/380.

full explanation for the delays in the implementation of the recommendations of the Board, in particular those recommendations not yet fully implemented that are two or more years old;

10. *Further reiterates its request* to the Secretary-General to indicate in future reports an expected time frame for the implementation of the recommendations of the Board of Auditors, as well as the priorities for their implementation and the office holders to be held accountable;

11. *Expresses concern* about the continued deficiencies and weaknesses identified by the Board of Auditors in the United Nations, and in this regard requests the Secretary-General to continue his efforts to address these weaknesses, as a matter of priority, taking into account the comments, observations and recommendations of the Board of Auditors;

12. *Also expresses concern* about the cross-cutting and systemic risks identified by the Board of Auditors in the other United Nations entities, and in this regard requests the Secretary-General, in his capacity as the Chair of the United Nations System Chief Executives Board for Coordination, to invite the heads of the United Nations entities to take corrective actions to address these weaknesses, as a matter of priority, taking into account the comments, observations and recommendations of the Board of Auditors;

13. *Notes with concern* the general deficiencies identified by the Board of Auditors with respect to control and fraud prevention, activities that are particularly necessary given the high-risk environments in which the United Nations and all its entities operate, and stresses the need for the United Nations and all its entities to take measures to address these deficiencies, including through the development of comprehensive fraud risk assessments and counter-fraud strategies, the issuance of a standard definition of fraud for application across the United Nations system and standard operating procedures for fraud prevention;

14. *Stresses* that the report of the Board of Auditors on the United Nations Joint Staff Pension Fund should be submitted separately to the General Assembly, as is the case with other United Nations entities, and decides that a copy should continue to be annexed to the report of the United Nations Joint Staff Pension Board;

15. *Decides* to continue to consider the report of the Board of Auditors on the United Nations Joint Staff Pension Fund in the context of the report of the United Nations Joint Staff Pension Board.
