

United Nations  Nations Unies

BOARD OF AUDITORS

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Opening statement to the Fifth Committee on the Reports of the Board of Auditors

on

Concise Summary (A/78/215), United Nations Secretariat (Volume I) (A/78/5 (Vol. I)), United Nations Office for Project Services (UNOPS) (A/78/5/Add.11), United Nations Environment Programme (UNEP) (A/78/5/Add.7), United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) (A/78/5/Add.4), United Nations Human Settlements Programme (UN-Habitat) (A/78/5/Add.9), International Trade Centre (ITC) (A/78/5 Vol. III), United Nations Population Fund (UNFPA) (A/78/5 Add.8), United Nations Children's Fund (UNICEF) (A/78/5 Add.3), United Nations Institute for Training and Research (UNITAR) (A/78/5 Add.5), United Nations Office on Drugs and Crime (UNODC) (A/78/5 Add.10), United Nations University (UNU) (A/78/5 Vol. IV), United Nations Entity for Gender Equality and the Empowerment of Women (UN WOMEN) (A/78/5 Add.12), International Residual Mechanism for Criminal Tribunals (IRMCT) (A/78/5 Add.15), United Nations Development Programme (UNDP)(A/78/5 Add. 1), United Nations Capital Development Fund (UNCDF) (A/78/5 Add.2) and United Nations High Commissioner for Refugees (UNHCR) (A/78/5/Add.6)

for the year ended 31 December 2022

November 2023

Mr. Chairman,

Distinguished delegates,

On behalf of the Board of Auditors, I have the honour to introduce the main findings from the Board of Auditors Concise Summary and the reports for the audit of Volume I, UNOPS, UNEP, UNRWA, UN-Habitat, ITC, UNFPA, UNICEF, UNITAR, UNODC, UNU, UN WOMEN, IRMCT, UNDP, UNCDF, UNHCR for the year ended 31 December 2022.

I. Concise Summary

The Concise Summary Report summarizes the principal findings and conclusions contained in the reports of the Board of Auditors of 18 entities, namely, UN Volume I, UN PKO, ITC, UNCDF, UNDP, UNEP, UNFPA, UN-Habitat, UNICEF, UNITAR, UNHCR, UNJSPF, UNODC, UNOPS, UNRWA, UNU, UN-Women and IRMCT, for the annual financial period 2022. In addition to commentaries on financial performance, cash and investment management, employee benefit liabilities, it has included a special chapter on financial and budget management.

Audit opinions. All 18 entities received unqualified audit opinions.

Financial performance. Overall, these entities displayed healthy financial performance in 2022. For assets, the Board noted that ten entities experienced a decline while seven entities experienced an increase. Regarding total liabilities, all audited entities experienced a decrease, primarily due to the actuarial gain on employee benefits liabilities. In terms of total revenue, six entities experienced an increase, while the remaining 11 entities experienced a decrease. For the total expenses, 14 entities increased while the other three entities experienced a decrease. For net results, eight entities concluded the financial year with a surplus, while nine entities reported a deficit. In general, the financial position of all entities remained at least sufficient.

Status of implementation of outstanding recommendations. The overall rate of implementation of the outstanding recommendations was 52.49 per cent in 2022, remained similar to 2021.

Key findings and recommendations. A totaled a(t)-2 (n)AA8do6 (cp8do6 (c3 (d0.114 Tw Tc (A8)6 /

View on areas for further improvement to financial and budget management. (a) The policy frameworks in relation to financial and budget management could be updated where addressing weaknesses as needed; (b) Improved monitoring and streamlining would be needed on compliance and accountability; (c) The use of inactive funds or unencumbered balances could be optimized to improve efficiency and effectiveness; (d) Training and workshops could be organized to improve financial and budget management; and (e) Full and timely implementation of the Board’s recommendations is necessary.

II. Volume I

Overall conclusion. The Board issued an unqualified audit opinion on the financial statements of Volume I for the financial year 2022 and noted that the overall financial position of the Organization as at 31 December 2022 remains sound. Approximately 99 per cent of the regular budget was used in 2022, leaving underexpenditure of approximately \$40.14 million.

Follow up on previous recommendations. The Administration had to implement 262 recommendations of previous audit reports, of which 111 were implemented, 140 were under implementation, and 11 have been overtaken by events.

The reasons for having those recommendations as pending could be mainly attributed to implementation workplan schedule and timeline, with some recommendations involving multiple accountable entities or being composed of several elements.

Key findings. A total of 61 findings with 84 corresponding recommendations are reflected and all accepted by the Administration. These findings and recommendations mainly covers

For investment management, the use of received prepayments for investments was not authorized by funding agreements. Furthermore, the S3i investments were fully impaired for \$58.80 million but claims for the losses had been delayed.

Regarding project management, early termination of consolidated purchase of medicines and medical supplies, with a total contract value of \$6.1 billion, needs to be reviewed.

IV. UNEP:

For budget management, 12 of the 15 multilateral environmental agreements (MEAs) had not adopted results-based budgeting, resulting in insufficient evaluation on the achievement of the planned outputs.

The implementation of UNEP South-South and Triangular Cooperation Strategy was not adequate. In addition, insufficient control over cooperation with medium or high risk private entities may pose reputational risks to UNEP.

V. UNRWA

UNRWA reported a deficit of \$122 million for 2022, which is attributable mainly to a decrease in cash contributions from different donors.

The Board also noted inadequate performance of duties of the Advisory Committee on Resource Allocation and significant delays in the distribution of approved Selective Cash Assistance payments. In addition, 41 per cent of daily paid workers employed by UNRWA had exceeded the prescribed two-year limit.

VI. UN-Habitat

UN-Habitat recorded a total deficit of \$15.6 million in 2022.

The Board also noted the absence of oversight on project budget and fefffResoTw [(s)29]llo (i)-60

Finally, a number of recommendations were issued regarding program management, particularly in relation to the decreasing levels of completion rates for events with objective

XVI. UNCDF

Regarding the financial audit,