

**Opening statement to the Fifth Committee on the Report of the Board of Auditors
on the United Nations Peacekeeping Operations
A/68/5 (Vol. II)**

**Hugh O'Farrell
Director of External Audit (UK)
Chair of the Audit Operations Committee**

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Dear Chair,

Distinguished delegates,

On behalf of the Chair, Mr. Amyas Morse, and the other members of the Board of Auditors, Mr. Liu Jiayi and Mr. Ludovick Utouh, I have the honor to report on peacekeeping operations for the financial year ended 30 June 2013.

The peacekeeping report represents a joint effort by the Board, with China as the lead auditor for peacekeeping operations, responsible for the audit of Headquarters, the UN Logistics Base and six missions; and with the UK auditing six missions and Tanzania four missions. The Board continued to meet the requirements of General Assembly resolution A/RES/64/268, submitting the report on 17 January 2014 to facilitate the timely preparation of the Secretary-

Audit Opinion

For the financial period ending 30 June 2013 the Board issued an unqualified opinion. This is the last financial period in which the peacekeeping statements will be prepared under the United Nations system accounting standards (UNSAS).

Key findings in the long form report

The Board throughout the report recognises the progress made by the Administration to address its previous concerns and to enhance financial control and management. For example, while work is ongoing and risks remain, and the outcome cannot be guaranteed, there is increasing confidence about the ability of the Administration to produce first time IPSAS-compliant financial statements. This reflects the progress made on preparing opening balances, continuing improvements in the verification and valuation of assets, enhanced project progress monitoring, and enhanced accountability for implementation at mission level.

Although the benefits have yet to be objectively measured, we also note the progress made in embedding the Global Field Support Strategy, with service centre functions starting to go live, the Standardized Funding Model being refined based on lessons from the initial application in UNMISS, and a number of modular service packages being constructed and deployed to MINUSMA.

While acknowledging progress, we continue to note issues in the management of peacekeeping operations that we consider it important to draw to your attention.

Asset management

There have been improvements in asset management, partially driven by the implementation of more stringent accounting standards (IPSAS). The Board notes improvements in the levels of both

being procured that are already held in stock and to address the related issue of long term

Overall conclusion

Finally Chair, the Board in its overall conclusion on page 19 of the report highlights that