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Summary record of the 37th meeting
Held at Headquarters, New York, on Friday, 8 May 2015, at 10 a.m.

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

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15-07304 (E)

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

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

Agenda item 160: Financing of the United Nations Multidimensional Integrated Stabilization Mission in Mali

1. **Ms. Bartsiotas** (Controller), introducing the Secretary-General's note on financing arrangements for the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) for the period from 1 July 2014 to 30 June 2015 (A/69/828), said that the note contained a proposal for the provision of increased resources to the Mission for that period. The proposal emanated from the Security Council's request for the Secretary-General to take the necessary steps to enable MINUSMA to reach its full operational capacity as soon as possible in the context of a new force laydown, essential to the Mission's operations in northern Mali, a complex security environment characterized by asymmetric threats.

2. The Mission had previously been a target of opportunity or a victim of collateral damage, but had become a primary target. Injuries to its personnel caused by improvised explosive devices had quadrupled in 2014 compared with 2013. In addition, such devices and anti-vehicle mines placed along routes used by MINUSMA severely hindered the Mission's freedom of movement and negatively affected its supply chain and operations in northern Mali. When the budget for 2014/15 had been formulated no provision had been made for the new force laydown or the expansion of the Mission's presence in the north of Mali beyond key population centres and the associated infrastructure investment.

3. Additional resources in the amount of $70.3 million were needed for facilities and infrastructure, mainly the construction of more camps and the strengthening of existing camps in northern Mali, and $10 million was needed for mine detection and mine clearing services.

4. The General Assembly was requested to appropriate and assess the amount of $80.3 million for the maintenance and operation of the Mission for the period from 1 July 2014 to 30 June 2015, in addition to the amount of $830.7 million already appropriated and assessed for that period under the terms of General Assembly resolution 68/259 B.

5. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/69/889), said that the additional resources were required in connection with the new force laydown and the expansion of the presence of MINUSMA in northern Mali beyond key population centres, in response to Security Council resolution 2164 (2014). The Advisory Committee had been informed that the security situation in the area of operations remained volatile. It was concerned about the high number of fatalities and injuries suffered by MINUSMA, and expected the Secretary-General to make every effort to improve the safety and security of the Mission's military and civilian personnel.

6. In view of the Mission's cash position as at 17 March 2015, the Advisory Committee's exchange with the Secretary-General's representatives regarding the Mission's foreseeable cash position until the end of the financial period, and the level of the proposed additional resources, the Advisory Committee was of the view that there was currently no need for an additional appropriation or assessment. It recommended that the General Assembly should authorize the Secretary-General to enter into commitments in an amount not to exceed $80,336,300 for the maintenance of the Mission for the period 2014/15, in addition to the amount already appropriated under the terms of Assembly resolution 68/259 B.

Other matters

7. **Ms. Lingenfelder** (South Africa), speaking on behalf of the Group of 77 and China, said that the Group had reservations regarding the Administration's proposal to present a single financial statement for the International Criminal Tribunal for the Former Yugoslavia, the International Criminal Tribunal for Rwanda and the International Residual Mechanism for Criminal Tribunals, regarding which the Audit Operations Committee of the Board of Auditors had requested a meeting with the Bureau.

8. Having studied the information provided and the International Public Sector Accounting Standards (IPSAS), the Group disagreed with the proposal. The three entities had different mandates and lifespans and functioned under unique circumstances. The Group

was not convinced of the Secretariat's rationale for the proposal, which it considered an attempt to undermine the entities' financial and administrative transparency and accountability.

9. The Secretariat should ensure the timely presentation to the Board of Auditors of separate financial statements for the three entities, in line with the given mandates and allocation of assignments.

10. The Group, through the Chair of the Fifth Committee, requested the Advisory Committee to transmit its position to the Audit Operations Committee. No audit of the entities should be carried out on the basis of the packaged approach. The Group had communicated its position to its Bureau representatives and would not consider any accounts that deviated from that principle.

11. **Mr. Mihoubi** (Algeria), speaking on behalf of the Group of African States, said that the financial statements of the three entities should not be merged. The Group was not convinced by the Administration's arguments, including with regard to the implementation of IPSAS. The current practice of preparing separate audited financial statements should continue. Any attempt to change the reporting arrangements would undermine transparency and accountability. The Group had directed its Bureau representative to present its position, which was not negotiable, at the meeting between the Audit Operations Committee and the Bureau. It requested the Chair to present its position to the Advisory Committee and then the Audit Operations Committee and relevant Secretariat stakeholders.

12. **Mr. Kisoka** (United Republic of Tanzania) said that the approach proposed by the Administration failed to take into account many procedural issues and the need for timely consultation with Member States and other stakeholders. It also undermined transparency and accountability: since the closure of one of the three entities was scheduled for 2015, its accounts should not be considered jointly with those of the other two.

13. **Ms. Bartsiotas** (Controller) said that the external auditors were currently auditing the three entities' accounts. The Secretariat would work with the Audit Operations Committee to find a common solution acceptable to Member States.

14. Chapter 4 of the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities, implemented in response to General Assembly resolution 60/283, defined a reporting entity as an entity that performed a number of similar mandates but reported detailed information under each segment. In her capacity as Controller, she had been delegated the authority to prepare and present the entities' financial statements in accordance with IPSAS, and had decided that chapter 4 of the Framework was applicable because the Security Council had decided in its resolution 1966 (2010) to establish the International Residual Mechanism for Criminal Tribunals to carry out a number of essential functions of the International Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda after the closure of the Tribunals. The Administration's proposal would not result in the omission of any information provided to the Member States under the current arrangements. The proposed single financial statement, comprising three segments, would contain all the information for each body. The Secretariat was of the view that such a statement would improve transparency and accountability and provide Member States with additional information in line with IPSAS. The Audit Operations Committee, however, took a different view and the Secretariat was engaging actively with it to find a solution.

15. The proposal was designed to improve transparency and provide more meaningful, informative financial statements to the Member States in accordance with various General Assembly resolutions and IPSAS requirements. The Secretariat was open to dialogue, including through the meeting to be held with the Audit Operations Committee, and would make every effort to find a solution acceptable to all, with a view to supporting Member States' decision-making.

16. **Mr. Sánchez Azcuy** (Cuba) requested confirmation that no decision would be taken on the merging of the three entities' financial statements without the approval of Member States. The proposal would result in less clear presentation of the information than under the current arrangement and would create problems related to the word limit for documents.

17. **Mr. Kisoka** (United Republic of Tanzania) said that his delegation had a number of reservations regarding the proposal, of which the Committee had been informed not by the Administration but by the Audit Operations Committee. His Government's 2008 implementation of IPSAS had improved transparency at its 32 foreign embassies and missions, each of which

was now accountable for its own financial statements. He requested the Chair to transmit the Member States' comments to the Advisory Committee, which could then pass them on to the Audit Operations Committee.

18. **Ms. Bartsiotas** (Controller) said that the Secretary-General was responsible for the preparation and presentation of the financial statements, which were then submitted to the external auditors, whose report was subsequently considered by the Committee. The audit of the statements was ongoing, and the Secretariat would work with the Audit Operations Committee to ensure that they reflected Member States' needs and were fair and transparent.

19. **Ms. Power** (Observer for the European Union) said that the proposal, designed to maintain transparency and make pragmatic and procedural improvements to the reporting arrangements in the spirit of IPSAS, did not appear controversial.

The meeting rose at 10.35 a.m.