



Check Against Delivery

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Comments of the Secretary-General and those of the United Nations System Chief Executive Board for Coordination on the report of the Joint Inspection Unit “Oversight lacunae in the United Nations system (A/60/860)”

Mr. Chairman and distinguished delegates:

I am pleased to introduce, on behalf of the United Nations system Chief Executives Board for Coordination, the Note of the Secretary-General (A/60/860/Add.1) conveying his comments, and those of the organizations of the United Nations system, on the report of the Joint Inspection Unit entitled “Oversight lacunae in the United Nations system” (JIU/REP/2006/2).

This report of the JIU examines the oversight structures currently in place throughout the system, and the coordinating mechanisms that exist between them, and seeks to assess “*the capacity of existing oversight mechanisms to deal with major risks that may arise in the United Nations system*”. While concluding that no major deficiencies exist in oversight arrangements, the report notes that there remain a number of important issues that need to be addressed and directs its recommendations principally towards strengthening the existing mechanisms.

Members of the United Nations System Chief Executives Board for Coordination (CEB) welcome the detailed nature of the report, which they regard as a valuable contribution to ongoing discussions on the UN system’s practices and activities in the area of oversight. These discussions include the results of the independent external evaluation of the audit and oversight

system within the United Nations commissioned by the UN Secretary-General at the request of the General Assembly, and which are also currently before the Committee for its consideration.

When commenting on this JIU report, members of CEB noted that the results of the independent external evaluation would certainly have implications for the JIU recommendations and therefore this JIU report should be considered in conjunction with the recommendations contained within the independent study.

In their general comments, organizations noted that JIU placed too much emphasis on its own “suggested standards”, without a clear description of how these standards were developed or what prior best practice analysis supported them. They also expressed uncertainty as to how a uniform standard such as proposed by JIU would function in the United Nations system, with its diverse range of organizational structures and mandates. In their view, the report could have benefited from a discussion of how the basic concepts of risk, controls and governance that underpin current professional standards for oversight might apply to the United Nations system. Organizations also noted that the report did not acknowledge the Institute of Internal Auditors (IIA), whose standards the system adopted in 2002 and were more likely to be accepted than those suggested by the JIU.

All organizations welcomed the extensive information contained in the annexes. They acknowledged that the current system-wide discussions on this topic would benefit from this comprehensive survey of oversight mechanisms in use throughout the system. However, they cautioned against interpreting the statistics presented in the annexes without a complete understanding of the different operational models and business practices in use across the system.

In terms of the specific recommendations, organizations accept and agree with many of the recommendations presented by the JIU. However, in several instances CEB members, while agreeing with the recommendation, note that the JIU report does not appear to acknowledge that organizations have already implemented, or have begun implementing, the suggested change. An example of this can be found in recommendation 13, which asks legislative bodies to direct executive heads to ensure independent quality assessment of oversight bodies. In this case, CEB

members strongly object to the implication that these assessments are not now happening, and point out that the IIA standards, to which all organizations subscribe, mandate such reviews.

For some recommendations, the response from organizations varied. For example, on the issue of establishing an independent oversight board as noted in recommendation 1, several CEB members supported this recommendation and indicated they either had already established such oversight boards or were in the process of doing so. Others, however, while supporting the intent of the recommendation, expressed reservations regarding the specifics of the mechanisms outlined in the report. In general, though, organizations strongly concurred with the point in the recommendation regarding the need for the boards to be composed entirely of individuals experienced and knowledgeable in oversight functions and with the relevant business experience in managing risk.

Recommendations on the structure of internal oversight were commented upon in detail by organizations, and they generally agreed with the idea of merging the audit, investigation and inspection functions, although some had reservations about including the evaluation function within the same unit. Similarly varied positions were expressed on whether or not “management consulting services” should reside within the unit responsible for oversight functions.

My intention here is not to review all of the CEB remarks on this important subject and I will conclude by noting that, in the view of CEB organizations, the JIU report contributes valuable information and thorough analysis to the current discussions on the oversight function in UN system, which can and should be integrated within the context of additional frameworks currently under consideration by the Committee.

Thank you.