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Finland's EU Presidency

Fifth Committee
UNITED NATIONS

Agenda Item 127: Report on the activities of the Office of Internal Oversight
Services

Statement on behalf of the European Union

Ms. Katja Pehrman
First Secretary
Permanent Mission of Finland to the United Nations

New York, 11 October 2006

(check against delivery)

Mr. Chairman,

I have the honour to speak on behalf of the European Union.

The Acceding Countries Bulgaria and Romania, the Candidate Countries Croatia* and the former Yugoslav Republic of Macedonia*, the Countries of the Stabilisation and Association Process and potential candidates Bosnia and Herzegovina and the EFTA country Norway, member of the European Economic Area, as well as Ukraine and the Republic of Moldova align themselves with this declaration.

Mr. Chairman,

At the outset let me thank Under-Secretary-General for Internal Oversight Services, Ms. Inga-Britt Ahlenius, for her presentation of the OIOS Annual Report for 2005-2006 and Chief of the Oversight Support Unit of the Office of the Department of Management, Mr. Jonathan Childerley for the SG's related documents.

The European Union appreciates and welcomes the clear reporting from the OIOS on its annual activities. The annual report contains a substantial amount of information including an addendum, which provides information on progress towards implementing recommendations issued by the Office of Internal Oversight Services.

In this regard, we continue to believe that the OIOS' critical recommendations should be fully implemented unless reasons are given for why this is not possible. In our view the implementation rate of the recommendations reflects the commitment of the United Nations to the maintenance of an effective system of internal control. Thus we wish to hear more about the reasons for non-implementation of recommendations including why many of the critical recommendations from prior years have not been acted upon.

The efforts of the OIOS to improve its own working methods are welcomed and must be encouraged. For example, the new system of "Issue Track", which replaced seven disparate databases to ensure a better follow-up of the implementation of recommendations, embodies a real innovation in the oversight debate.

Likewise, we welcome OIOS' continuing efforts to strengthen the results-based management culture within the UN as a means to make the work and use of resources within the organisation more effective. We are interested in the quick-impact audits to assess the preparedness of the Organisation to address future challenges and have more information about this process.

The cooperation of the OIOS with other oversight bodies is a necessary element in the oversight framework we all want to achieve. We note with appreciation the OIOS' cooperation with system-wide forums as well as with BoA and JIU. A close

coordination between the OIOS, JIU and BoA is important to avoid potential duplication of activity and ensure mutual reinforcement.

During the reporting period OIOS has focused on the following five risk-areas in particular: health, security and safety, programme management, ICT, Capital Master Plan and integrity violations. We look forward to discussing the above-mentioned areas during the informal consultations and to commenting on the OIOS observations related to Capital Master Plan when we consider this issue under agenda item 117.

In the context of the annual report, OIOS has also drawn attention to the systemic issue of its funding as well as access to records and personnel. As we have indicated before, the EU supports strengthening the operational independence of OIOS including providing budgetary independence to eliminate the potential conflict-of-interest arising from the processing of OIOS budget requests through the Department of Management. In our view the resources must be adequate and access to information unencumbered and prompt so that any audit assignments can be finalised and the maintenance of an effective system of oversight can be guaranteed.

The EU welcomes the recently adopted risk assessment approach and supports further progress in this direction. The risk assessments will provide OIOS with a structured framework to justify the areas that it views as representing the highest risk to the Organisation as well as means to identify the resources required to conduct the oversight assignments to address them. Thus the risk assessments also provide the basis for OIOS funding requirements.

We look forward to discussing the strengthening of the evaluation function of the OIOS, more specific in the context of the governance and oversight review. We would like therefore that this report be included in the context of the discussions on governance and oversight, so that the more systemic issues be discussed in the appropriate context.

We also have before us a report A/61/61, the OIOS inspection of the programme and administrative management of the Economic and Social Commission for Western Asia (ESCWA). The EU believes many of the recommendations would improve the effectiveness of ESCWA. We note with satisfaction that results-based management in ESCWA is one of the most advanced in the UN and that solid training has been provided to management and staff. We also note that ESCWA has not accepted all the Office's recommendations and thus look forward to discussing these in more detail.

In conclusion, we thank USG Ahlenius for the reports and the staff of OIOS for all the work over the past year. We look forward to a constructive discussion with OIOS and our colleagues in the Fifth Committee during the informal consultations.

Thank you, Mr. Chairman.

*) Croatia and the former Yugoslav Republic of Macedonia continue to be part of the Stabilisation and Association Process.