



PAKISTAN

PERMANENT MISSION TO THE UNITED NATIONS

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Agenda Item: 127
Report on OIOS activities

STATEMENT

BY

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New York
11 October 2006

Mr. Chairman,

Pakistan delegation thanks the Secretary General for presentation of the report on OIOS activities document No. A/61/264 Part-I and add-I.

2. We would like to reaffirm that internal and external oversight mechanisms have a pivotal role in ensuring the proper accountability and adherence to the relevant rules, regulations and procedures by the United Nations Secretariat.

3. OISO has played an important role in promoting a culture of accountability and responsibility in the United Nations since its inception in 1994. The current report indicates the quantum of its significant activities, which includes 234 oversight reports including 18 to the General Assembly. The OIOS in the reporting period, issued 1919 recommendations of which 932 were classified as critical. In addition the office identified the savings of \$ 49.2 million in cost savings and \$14.9 in recoveries.

4. We are particularly concerned over the large number of recommendations and in particular the lack of implementation of the critical recommendations of the OIOS. We concur with the OIOS criteria to define critical recommendations which inter alia includes: changing the administrative and organizational guidelines, improving the systematic control in high risk areas, measurable improvement in the managerial controls, holding managers, staff and vendors accountable for fraud waste and abuse.

5. We are also concerned at the decline in the overall implementation of critical recommendations, as well as the age of the unimplemented recommendations. These indicators are a measure of the impact of OIOS work on improving the management and operations of the organization, and reflect organization's overall commitment to change and the maintenance of an effective system of internal control. The poor implementation of the recommendation represents a failure of response on the part of the Secretariat, specially the senior management and erodes their professions of commitment to reforming the UN.

6. We take note of the recommendations of the OIOS to the department of peacekeeping operations on discontinuing the practice of replenishing the equipment released to the field, which could result in the estimated savings of

17.8 million dollars. Similarly the savings in United Nations Transitional Administration in East Timor on review of ration contracts is also appreciable.

7. We would urge the department of disarmament affairs, department of management, department of peacekeeping operations, UN Human settlement programme and UNMOVIC, to accord full respect and ensure the implementation of the relevant OIOS recommendation.

8. We fully endorse the five areas which in the view of the OIOS, fall in category of the "highest risk" to the organization including; health security and safety, programme management, ICT, capital master plan and integrity violations. We urge programme managers in these respective areas to demonstrate vigilance and attentiveness and ensure full implementation of the relevant rules, regulations and procedures in the related programmes.

9. We welcome the launch of a more systematic risk assessment methodology by the OIOS and new system of monitoring the implementation of recommendations known as "issue track". We agree that the responsibility for internal control and management of risks lies squarely with programme managers and in this context support the call for a formal internal control framework. It is essential for strengthened accountability and transparency in the organization. Such a framework must have control environment – organizational culture, risk assessment, control activities, information and communication and monitoring as its integral elements.

10. We look forward to the audit of the department of management specially the examination of the method of assigning responsibility within the department and effective accountability and the measures that are in place to ensure its transparent and efficient and effective operation. Bearing critical responsibilities such as finance & budgeting, procurement and human resources the department of management, warrants a comprehensive risk assessment.

11. We note with concern the breaches of financial regulations and rules in procurement cases at the Headquarters and peacekeeping operations and exercise of minimal accountability on the field staff. Similarly the issues pertaining to the delegation of authority by the department of management to department of peacekeeping operations should be comprehensively and objectively reviewed. We particularly urge the department of management to implement the recommendations in paragraph 67, 68, 69 and 70 of the report, document 61/264, relating to the budget process of peacekeeping operations, book keeping, the role of property survey board and the medical insurance plan respectively.

12. We also call upon OCHA to fully implement the recommendations of the OIOS as contained in paragraph 73 on improving the coordination and better organization of its work, quicker deployment of field personnel and issuance of clear guidelines and administrative support for the field missions.

13. The irregularities observed in the performance of the office of the United Nations High Commissioner for Refugees particularly: the ineffectiveness and in certain cases total absence of financial controls, high vacancy rate in key management positions and irregular recruitments, failure to comply with the procurement procedures, the unreliability of UNHCR's assets records, and entering into contractual obligations for the payment of retrenchment benefits to staff, need to be urgently addressed.

14. We regret the continuous failure of the UN's Compensation Commission to pay heed to the critical recommendations of the OIOS specially those relating to avoiding the possibility of fraud and duplication of payments in claims. The failure of the Commission to accept OIOS recommendation is indeed a serious issue and the Secretary General should bring this matter to the attention of the Security Council.

15. In the course of the United Nations Reform, an external review of the OIOS is also before the consideration of the Assembly. Such review should lead to following improvements:

- a) Operational and financial independence of the OIOS;
- b) Strengthening of its capacity in core functions; monitoring, internal audit, inspection and evaluation and investigation;
- c) OIOS's role to increase transparency and accountability of the management;
- d) Consolidation of all legislative mandates pertaining to the oversight and role and responsibilities of the OIOS.
- e) The OIOS should continue to maintain the central evaluation functions in the UN Secretariat, which cannot be left to the programme managers alone.
- f) The office should bring more coherence in the evaluation inspection, investigation and internal audit activities besides reviewing its approach and methodology to inspection functions.
- g) The OIOS should continue the investigation function. We agree that assigning the function to legal affairs division would lead

to serious anomalies. However, it may undertake restructuring of investigation division.

- h) The OIOS should have full access to information and personnel in the conduct of its functions.
- i) The OIOS should streamline its budgetary process .
- j) The OIOS should evolve a screening mechanism to weed out frivolous allegations, which are motivated to harm the reputation of well meaning individuals. There should be established disciplinary penalties to be imposed against those who resort to slanderous or baseless allegations.
- k) OIOS should coordinate with other oversight bodies to avoid duplication and overlapping.
- l) The OIOS should ensure greater geographic balance and professional cooperation of its staff. The UNGA should be informed of the representation of developing countries in the various branches, such as its investigation department.
- m) The IAAC should not influence the OIOS on behalf of the Secretariat or major powers.
- n) We support renaming the office as the Office of the Inspector General as recommended by the OIOS.
- o) The Independent Advisory Committee should not encroach the budget or the administrative authority of the OIOS within the Secretariat. As a matter for principle the OIOS should have own budget approved by the Fifth Committee.

16. We also look forward to actively participate in the discussions on the review of the OIOS in the context of governance review.