

**Monday, 14 May 2012**

**Agenda Item 146: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations**

**Budget of the Office of Internal Oversight Services under the support account for peacekeeping operations for the period from 1 July 2012 to 30 June 2013**

**Statement to the Fifth Committee on IAAC report A/66/737**

**By John F.S. Muwanga  
Chairman; Independent Audit Advisory Committee**

Mr. Chairman, distinguished delegates

I have the honour to introduce the report of the Independent Audit Advisory Committee (A/66/737) on the budget proposals of the Office of Internal Oversight Services in respect of the support account for the period from 1 July 2012 to 30 June 2013.

The report was prepared in accordance with paragraphs 2 (c) and (d) of the IAAC's terms of reference (General Assembly resolution 61/275, annex).

Under this resolution, the IAAC has a responsibility to examine the workplan of OIOS, taking into account the workplans of the other oversight bodies and to advise the Assembly thereon. The IAAC is also mandated, to review the budget proposal of the Office, taking into account its workplan, and to make recommendations to the Assembly through the Advisory Committee on Administrative and Budgetary Questions.

Since its inception, the IAAC has made a number of recommendations relating to the various OIOS Divisions' workplanning and budgeting processes. The IAAC has noted progress in the implementation of the recommendations that have led to improvements in the budgeting process of OIOS.

The IAAC noted improvement in the risk-based workplanning methods of some of the Divisions of OIOS including the identification of residual risks faced by the various Departments of the UN. In this current environment, and given the complexity of the United Nations, assessing and managing risk is something that the IAAC finds critical. Against this background the IAAC has continued to encourage all the Divisions of OIOS—including the Investigation Division, to employ an appropriate risk-based methodology in developing their workplans and analyzing the resource requirement. The IAAC also noted that OIOS was paying particular attention to horizontal audits.

Mr. Chairman, distinguished members

In the current report, the IAAC has made a number of observations/recommendations including the recommendation that OIOS conducts more capacity gap analysis of the work of the Office as a whole. The IAAC has maintained that available resources should not be the driver of the workplan. Rather the workplan, derived from a robust residual risk assessment, should be the determining factor for the resource requirements of the Office.

The IAAC commended the Internal Audit Division that was already carrying out the above mentioned gap analysis. As far as Inspection and Evaluation Division was concerned, the IAAC was informed that there were some critical evaluation activities that the Division wanted to do but could not due to resource constraints. It is against this background that the IAAC has recommended that in future workplans, OIOS provide such cases of critical evaluation activities that it needs to do but is constrained from doing. After all, as pointed out in resolution 66/257 it is the General Assembly that is responsible for determining the risk tolerance of the Organization.

Mr. Chairman, distinguished members

With respect to the investigation function, the IAAC recalled its earlier recommendation on the disparities reported in the distribution of investigation resources and the high vacancy rates which could affect the outcome of the pilot project. The IAAC also noted the report of the Board of Auditors on the placement and distribution of OIOS investigation function

(A/65/5 (Vol II part C), and the preliminary report of OIOS on the pilot (A/65/765).

Subsequent to the issuance of its report, the IAAC received a copy of the comprehensive report of OIOS on the pilot (A/66/755). The IAAC intends to review this report and its comments will be reflected in its annual report and also in the next report on the support account budget submission of OIOS.

Mr. Chairman, distinguished members,

On behalf of the members of the IAAC, I thank you for the opportunity to present the IAAC report on the budget of the support account of OIOS and I look forward to answering any follow up questions you may have.

Thank you.