

Agenda Item 136

Activities of the Independent Audit Advisory Committee for the period 1 August 2021 to 31 July 2022 Report of the Independent Audit Advisory Committee (A/77/273)

Statement by Janet St. Laurent
Chair, Independent Audit Advisory Committee

4 October 2022

Mr. Chairman, distinguished delegates,

I have the honour to introduce the annual report of the Independent Audit Advisory Committee, A/77/273, on its activities from 1 August 2021 to 31 July 2022. This report was prepared in accordance with the Committee's terms of reference included in the annex to General Assembly resolution 61/275.

In the interest of time, I will focus on highlighting several key issues from the report:

The Committee looked at the **implementation rate trends for recommendations** by the BOA, OIOS, and the JIU. The implementation rate of BOA recommendations by entities under the Secretariat's purview continues to lag behind entities outside the Secretariat's purview. However, the Committee sees some improvement and encourages Management to make further progress.

The Committee also noted the Management Committee's important role in ensuring the implementation of oversight bodies' recommendations and called on it to pay particular attention to implementing OIOS recommendations, some of which have been outstanding since 2015.

The Committee also noted some challenges with respect to acceptance and implementation rates of the JIU recommendations. As such, the Committee welcomes continued dialogue among the stakeholders to improve the process.

Regarding the Organization's risk management and internal control framework, the Committee noted Management's efforts to implement ERM and mitigate the risks of the Organization—including the recent finalization of the Fraud and Corruption Awareness Handbook. The Committee also notes that Management has developed risk treatment plans for some entities and critical risks. However, the Committee identified three critical risk areas—implementing partners, ICT strategy and infrastructure, and cybersecurity—that warrant additional attention and calls on Management to update the current risk mitigation plans to address important recommendations made by BOA and OIOS.

Concerning the quality and impact of the recommendations of OIOS, the Committee believes that OIOS is conducting audit work to address many important organizational risks.

The Committee examined OIOS' recommendations pertaining to implementing partners, such as UNOPS, and learned that OIOS had carried out two audits, in 2017 and 2019, on the Mine Action Services' oversight of its partnership with UNOPS. However, several important OIOS recommendations had not been fully implemented by Management.

The Committee calls upon Management to ensure that these and other recommendations are implemented in a timely manner to mitigate the Organization's critical risks.

On strengthening the investigation function, the Committee found that while ID's caseload has increased by about 300% during the past eight years, the number of staff increased by about only 10%. The Committee also noted that some key performance indicators (the ageing of cases and the average length per case) have slightly improved. This is commendable given the large increase in caseload and a small increase in staff. However, the average time to complete investigations is still about 12 months, and the Committee is concerned about the pressure on investigators to manage an ever-growing caseload.

Without prejudice to the outcome of the ongoing external assessment review, the Committee recommends that OIOS review ID's resource needs and develop a plan to further reduce the average time of completing investigations and managing referrals.

Regarding trends in **financial reporting**, although the percentage of employee liabilities declined as a percentage of the total liabilities (for Vol.I), the Committee believes that ASHI liabilities remain a significant risk, and the General Assembly may wish to revisit this matter at its future sessions.

Thank you for the opportunity to present the IAAC's annual report. I look forward to answering questions you may have during the informal deliberations.