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**Comprehensive review of the whole question of
peacekeeping operations in all their aspects**

**Administrative and budgetary aspects of the financing of the
United Nations peacekeeping operations**

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations: cross-cutting issues

Programme budget implications of draft resolution A/C.5/59/L.53

Statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly

I. Introduction

1. The General Assembly, in paragraph 4 of section IV, Review of the management structure of all peacekeeping operations, of the draft resolution entitled “Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations: cross-cutting issues” (A/C.5/59/L.53), would request the Secretary-General, as a matter of priority, to entrust the Office of Internal Oversight Services with a comprehensive management audit to review practices of the Department of Peacekeeping Operations and to identify risks and exposures to duplication, fraud and abuse of authority in the following operational areas: finance, including budget preparation; procurement; human resources, including recruitment and training; and information technology, and to report thereon to the General Assembly at its sixtieth session.

2. The Office of Internal Oversight Services has reviewed its audit workplan, including a number of outputs proposed under the budget for the support account for peacekeeping operations for the period 2005/06, and has reprioritized its workplan and related resources to carry out the comprehensive management audit requested by the General Assembly.

3. The present statement by the Secretary-General outlines the budgetary implications and/or consequential changes in the resource proposals for the Office of Internal Oversight Services in the budget for the support account for the period from 1 July 2005 to 30 June 2006.

II. Organizational issues

4. The resource proposals for the Office of Internal Oversight Services for the period from 1 July 2005 to 30 June 2006 are reflected in the budget for the support account for the same period (A/59/730) and the statement submitted by the Secretary-General on a comprehensive review on a strategy to eliminate future sexual exploitation and abuse in United Nations peacekeeping operations (A/C.5/59/28/Add.1 and Corr.1).

5. The planned workplan of the Office reflected the following audits:

(a) Audit of the supply chain management in peacekeeping operations, originally planned to be carried out by a corporate contractor for a total of \$50,000. This amount was reflected in the support account budget for the period 2005/06 (A/59/730, paras. 238 and 240);

(b) Audit of construction engineering projects in peacekeeping operations and a review of the engineering section of the Department of Peacekeeping Operations, planned to be carried out by a consultant for a total of \$15,000. This amount was reflected in the support account budget for the period 2005/06 (A/59/730, paras. 238 and 240);

(c) Audits to be carried out by resident auditors in the peacekeeping missions.

6. Following a review of the requirements and the preliminary assessment of the scope of work for the execution of the comprehensive management audit of the Department of Peacekeeping Operations, the Office of Internal Oversight Services plans to include the audits of the supply chain management and construction engineering projects within the requested comprehensive management audit.

7. Consequently, the resources proposed in the support account budget for those two audits will be reprioritized into the total resource requirements for the comprehensive management audit, thereby reducing the additional resources requested in the present statement.

8. The Office of Internal Oversight Services also plans to postpone to the fiscal period 2006/07 three field mission audits to be carried out by resident auditors, as the individuals will be actively involved in the completion of the comprehensive management audit at United Nations Headquarters.

III. Preliminary scope of work

9. The following is a preliminary list of topics and areas that will be audited and reviewed as part of the comprehensive management audit of the Department of Peacekeeping Operations:

(a) Risk assessment of the Department of Peacekeeping Operations;

- (b) Mission planning (military, police, logistics);
- (c) Substantive operations (e.g. disarmament, demobilization, repatriation, resettlement and reintegration, rule of law);
- (d) Information communication technology;
- (e) Human resources management (including training);
- (f) Results-based budgeting;
- (g) Financial management;
- (h) Procurement and supply;
- (i) Air operations;
- (j) Transport;
- (k) Lessons learned and best practices;
- (l) Mine action.

10. Items (b) to (l) in the above list of topics are subject to changes following the risk assessment of the Department of Peacekeeping Operations.

IV. Estimated resource requirements

A. Overview

11. It is estimated that the Office of Internal Oversight Services will require the expertise of:

(a) *Consultant.* A specialized consultancy firm with multidisciplinary expertise in several areas including, but not limited to, information technology, logistics and supply chain management, will be employed for a period of approximately six weeks to work jointly with auditors in the Office of Internal Oversight Services on carrying out risk assessment studies of the Department of Peacekeeping Operations and selected field missions. Currently there is no such combined expertise in the Office of Internal Oversight Services and, given the complexity of the United Nations peacekeeping operations, the limited risk assessment of peacekeeping missions done so far, and the very short timeframe, it is necessary to engage a specialized consultancy firm to conduct a baseline risk assessment exercise aimed at defining further the scope of the comprehensive management audit;

(b) *Two telecommunication experts.* Two individual consultants will be employed for a period of approximately two months each to audit the telecommunication assets and related resources of the Department of Peacekeeping Operations and the field missions;

(c) Seven resident auditors from the resident auditor offices in the field missions will work in New York for a period of 45 days simultaneously on various topics included in the review.

12. The Office of Internal Oversight Services estimates that regular travel will be required and undertaken by experts from the consultancy firm, the

telecommunication experts and the team of auditors from the Office of Internal Oversight Services to visit selected peacekeeping missions.

13. The additional resources required for the execution of the comprehensive management audit of the Department of Peacekeeping Operations are presented below:

(Thousands of United States dollars)

<i>Category</i>	<i>Requirements</i>	<i>Proposed in support account budget for 2005/06</i>	<i>Additional amount requested</i>
Consultants	300.0	65.0	235.0
Official travel	231.6	—	231.6
Total	531.6	65.0	466.6

B. Analysis of resource requirements

	<i>Requirement</i>	<i>Proposed in 2005/06 budget</i>	<i>Balance</i>
Consultants	\$300,000	\$65,000	\$235,000

14. The requirement of \$300,000 provides for the assistance of a specialized consultancy firm for a period of six weeks to conduct risk assessment exercises in the Department of Peacekeeping Operations and selected peacekeeping missions (\$250,000) and the service of two telecommunication experts to audit the communication resources in the peacekeeping missions for a period of approximately two months each (\$50,000).

15. In the support account budget for the period 2005/06, the Office of Internal Oversight Services has proposed to undertake the audit of the supply chain management in the peacekeeping missions for \$50,000 and the audit of construction engineering projects in the peacekeeping missions for \$15,000. The Office proposes to include those audits in the comprehensive management audit and to utilize the foreseen resources in the support account budget towards the resource requirements for the comprehensive management audit of the Department of Peacekeeping Operations.

16. Consequently, a net additional provision of \$235,000 would be required for the 2005/06 support account budget, under consultancy, for the execution of the comprehensive management audit of the Department of Peacekeeping Operations.

	<i>Requirement</i>	<i>Proposed in 2005/06 budget</i>	<i>Balance</i>
Official travel	\$231,600	—	\$231,600

17. An additional provision of \$231,600 would be required for the 2005/06 support account budget, under official travel, for the travel of seven resident auditors from the peacekeeping missions to United Nations Headquarters to work

simultaneously on the various topics to be covered by the comprehensive management audit for a period of 45 days (\$121,600), for the travel of 10 auditors from United Nations Headquarters to selected peacekeeping missions for a period of 20 days (\$90,000) and the travel of the telecommunication experts to the United Nations Logistics Base at Brindisi and to selected peacekeeping missions (\$20,000).

V. Conclusions and recommendations

18. The resource requirements needed to undertake the comprehensive management audit have been carefully analysed and justified, taking into consideration the existing capacity, the current and proposed resources of the Office of Internal Oversight Services under the support account budget for 2005/06 (A/59/730) and the reallocation of proposed resources.

19. Conducting the comprehensive management audit of the Department of Peacekeeping Operations requested by the General Assembly in paragraph 4 of section IV, Review of the management structure of all peacekeeping operations, of draft resolution A/C.5/59/L.53, would give rise to additional requirements of \$466,600 to be provided in the support account budget for the period from 1 July 2005 to 30 June 2006.

20. **Accordingly, should the General Assembly adopt draft resolution A/C.5/59/L.53 the additional requirements arising would be as follows:**

(a) **Additional requirement of \$235,000 under consultants, to be included in requirements for the Office of Internal Oversight Services in the support account for the period 2005/06;**

(b) **Additional requirement of \$231,600 under official travel, to be included in requirements for the Office of Internal Oversight Services in the support account for the period 2005/06.**