General Assembly

Seventieth session
Agenda item 132
**Review of the efficiency of the administrative and financial
functioning of the United Nations**

Fifth progress report on the accountability system in the United Nations Secretariat

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1.   The Advisory Committee on Administrative and Budgetary Questions has considered the fifth progress report of the Secretary-General on the accountability system in the United Nations Secretariat (A/70/668), submitted pursuant to General Assembly resolution 69/272. During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 4 February 2016.

II. Observations and recommendations

General comments

2.   The subject of personal and institutional accountability has come before Member States since the fifty-eighth session of the General Assembly and has resulted in a number of resolutions, including its most recent resolution on progress towards an accountability system (resolution 69/272). The Advisory Committee has commented extensively on the various technical aspects of the accountability framework in the context of its previous reports on this subject, as well as in the context of a wide range of other subject-specific reports, in which it has addressed

---

specific operational matters and/or initiatives.[1] **The Advisory Committee is of the opinion that progress has been made in establishing structures and systems which, if utilized in the manner intended, can provide management and the governing bodies elements for a viable accountability framework. The Committee is also of the view, however, that additional practical measures should be introduced to ensure that the different elements lead to progress with respect to ensuring improved institutional and personal accountability in the future.**

3.   In his fifth progress report, the Secretary-General provides an overview of the various aspects of the accountability framework under the main headings of "Performance and results", "Stewardship of resources" and "Compliance", as well as an overview of "enablers", in which he describes the role of the International Public Sector Accounting Standards (IPSAS) and the enterprise resource management system (Umoja). In the light of the Committee's observation in the paragraph above, its report is organized around the underlying concepts contained in the framework, with a view to strengthening their application. Observations and recommendations have therefore been made under the following headings: (a) monitoring and oversight mechanisms; (b) measuring organizational activities and processes; (c) evaluating outcomes; and (d) operationalizing and enforcing a credible personal and institutional accountability framework.

A. Monitoring and oversight mechanisms

4.   The Advisory Committee notes that the mechanism available for monitoring and documenting the activities of the Organization includes the so-called enablers, namely, the recently implemented Umoja and IPSAS, as well as a number of other tools, such as the work performed by external and internal oversight bodies, the forthcoming anti-fraud framework and such internal monitoring mechanisms as the Headquarters Committee on Contracts. In addition, legislative guidance is provided by Member States, specifically through resolutions of the General Assembly.

External and internal oversight

5.   The Advisory Committee notes from the report of the Secretary-General that, since 2010, of a total of 923 high-risk or critical recommendations issued by the external and internal oversight bodies, 818 had been closed and implemented and 105 were in progress as at 30 November 2015 (see A/70/668, tables 1 and 2). In the report, it is indicated that the overall number of recommendations under review or under implementation has decreased; some of those that remain outstanding, however, pertain to matters directly related to the accountability of management and staff in conducting their day-to-day work efficiently and effectively. This includes recommendations pertaining to the implementation challenges of the enterprise risk

_____

[1] These include the Committee's previous report on accountability (A/68/783; A/67/776; A/66/738; A/64/683; A/63/457; A/60/418); activities of the Ethics Office (A/69/332; A/68/348; A/67/306); special measures for protection from sexual exploitation and sexual abuse (A/69/839; A/67/780; A/66/718); global field support strategy (A/69/874; A/68/782; A/67/780); global service delivery model (A/70/436); human resources management (A/70/765; A/70/718; A/69/572; A/68/523); Board of Auditors (A/70/380; A/69/386; A/68/381); Board of Auditors on information and communications technology (A/70/755); enterprise resource planning project (A/70/7/Add.19; A/69/418; A/68/7/Add.7; A/67/565); procurement activities (A/69/809; A/67/801; A/64/501).

management system; the development of key lessons identified in business transformation projects; the development of a skills strategy for staff; the optimization of prompt payment discount rates during contract negotiations; the development of the modules and the associated procurement strategy within the global field support strategy; and the identification of deficiencies in acquisition planning and global asset management (ibid., para. 62). In that connection, the Committee recalls the observation of the Board of Auditors, in its most recent report on the United Nations peacekeeping operations, that the implementation rate for audit recommendations falls significantly in instances where prior recommendations that were closed but in fact not implemented are excluded (see A/70/5 (Vol. II), paras. 9-10). The Committee intends to further address the aforementioned matter in its forthcoming report on the subject.

6. **The Advisory Committee reiterates that the full and timely implementation of the recommendations of oversight bodies is an essential part of any effective system of accountability (see A/69/802, para. 15). Furthermore, the Committee stresses the indispensable roles of external and internal oversight mechanisms, which are carried out through regular audit reviews and the issuance of pertinent recommendations, which often highlight operational deficiencies and are aimed at strengthening the performance of managers in monitoring the activities for which they are held accountable.**

Anti-fraud framework

7. The Advisory Committee notes that an essential aspect of monitoring organizational activity in an effective manner must include proper guidance pertaining to the prevention, identification and handling of fraud and corruption, including a clearly defined policy for the protection of whistle-blowers. In paragraphs 52 to 56 of his report, the Secretary-General explains that the preparation of an anti-fraud framework is under way and is expected to be operationalized in April 2016. This framework is expected to reiterate the zero-tolerance approach to all fraudulent acts, with a full commitment to pursuing all credible allegations and ensuring that appropriate administrative/disciplinary measures are applied when the allegations are substantiated, including the referral of cases to national authorities when appropriate, and that contractual remedies are put into place to ensure recovery in such instances. The framework will also include a definition of fraud and corruption as applicable to the Secretariat.

8. Upon enquiry, the Advisory Committee was informed that an agreed-upon definition of fraud and corruption was pending finalization. It was envisaged that the anti-fraud framework would be finalized on 1 April 2016.

9. **The Advisory Committee emphasizes that an effective anti-fraud framework must provide clearly prescribed parameters to identify "red flags" or possible operational irregularities which, if necessary, trigger appropriate corrective action (see also paras. 27-30 below).**

10. **With respect to the framework's definition of fraud and corruption, the Advisory Committee reiterates its view that a single agreed definition, across the United Nations system, of what constitutes fraud, as well as cases of suspected or presumptive fraud, is essential in order to develop effective counter-fraud policies to ensure compatibility and comparability of related data across entities and to improve overall transparency. The Committee also**

reiterates that, in its opinion, the United Nations Chief Executives Board for Coordination (CEB) would be best placed to develop such guidance so as to achieve consistent application across all organizations of the United Nations system (see A/70/380, para. 30) and stresses again its recommendation that the General Assembly invite the Secretary-General, in his capacity as chair of CEB, to initiate this process.

11. **The Advisory Committee requests that the Secretary-General provide a status update on the development of the aforementioned anti-fraud framework to the General Assembly at the time of its consideration of the present report.**

12. The Advisory Committee was furthermore informed that a whistle-blower protection policy would be a component of the anti-fraud framework in order to ensure that staff members feel duly protected by the Organization in reporting allegations of fraud and corruption. In that connection, the Committee recalls that the Board of Auditors has commented extensively on this matter, (see A/69/5 (Vol. I), paras. 152-155) noting, inter alia, that while whistle-blowing arrangements are in place, the Administration does not have a complete picture of reported cases or how these have progressed, largely because it does not have a single point of entry for whistle-blowers to report wrongdoing. The Board also noted that the protection against retaliation policy was very often used as a staff grievance mechanism for work performance and interpersonal disputes, duplicating existing human resources management arrangements for handling such cases, and that it served to undermine the official staff appraisal system. The Board noted further that, in 2012-2013, the Administration had commissioned an external expert to review its existing protection against retaliation policy and was currently considering potential revisions. The Committee was informed, upon enquiry, that the review had been completed in 2014.

13. **The Advisory Committee notes with concern that the Secretary-General has not yet taken steps to refine and revise the policy against retaliation following the external expert review in 2014, for instance by incorporating the observations of the Board Auditors on this subject contained in its financial report and audited financial statements for the biennium ended 31 December 2013 (see A/69/5 (Vol. I)). Therefore, the Advisory Committee recommends that the General Assembly request the Secretary-General to finalize, without further delay, the revision of the policy against retaliation, which should be separate and distinct from mechanisms for handling staff grievances and interpersonal disputes, and provide protection for whistle-blowers.**

Headquarters Committee on Contracts

14. In paragraphs 76 to 81 of his report, the Secretary-General describes the work done by the Headquarters Committee on Contracts, which reviews proposed procurement awards above a certain financial threshold and advises the Assistant Secretary-General of the Office of Central Support Services in the Department of Management on whether the procurement process is in line with the Financial Regulations and Rules and conforms to the review criteria of best value for money; fairness, integrity and transparency; effective international competition; and the interest of the Organization.

15. The Advisory Committee was informed, upon enquiry, that the Headquarters Committee on Contracts database has the capability to generate statistics and enable

follow-up on the recommendations of the Headquarters Committee on Contracts. The Advisory Committee was also informed that the Secretariat was currently strengthening its monitoring and follow-up of recommendations, especially those with policy implications.

16. **The Advisory Committee notes that the process of monitoring and following up on the recommendations of the Headquarters Committee on Contracts is undergoing a review process aimed at strengthening its controls and monitoring capabilities and recommends that the General Assembly be provided with details concerning this exercise, including on the expected time frame for completion, at the time of its consideration of the fifth progress report on the accountability system in the United Nations Secretariat.**

Resolutions of the General Assembly

17. The Advisory Committee enquired as to the availability of a Secretariat-wide tracking mechanism to ensure that resolutions of the General Assembly, including those based on the Committee's recommendations relating to administrative and budgetary matters, endorsed by the Assembly, are implemented within the appropriate time frame. The Committee was informed, upon enquiry, that the implementation and follow-up with respect to General Assembly resolutions was continuously monitored and reported internally by the responsible offices/units to the head of department, as well as, where applicable, by the oversight bodies. Furthermore, the status of implementation on individual subjects is reported regularly to the General Assembly in relevant reports. Nevertheless, the Committee was informed that comprehensive statistics with respect to the monitoring of the implementation of General Assembly resolutions were not available.

18. **The Advisory Committee is of the view that monitoring the status of the implementation of General Assembly resolutions on administrative and budgetary matters and related operative provisions contained therein would be a useful accountability tool for Member States and the Organization alike. The Committee believes that the information currently contained within individual subject-specific reports of the Secretary-General relating to the implementation of the General Assembly provisions could therefore be reported periodically, in a consolidated manner, to the Assembly. Therefore, the Committee expects that a status update thereon will be provided in the context of the Secretary-General's sixth progress report on the accountability system.**

B. Measuring organizational activities and processes

19. With respect to measuring the overall efficiency of the Organization, the Secretary-General states, in paragraphs 4 to 15 of his report, that this is a complex matter for the United Nations, which has a wide variety of mandates and operations and does not produce tangible goods. The Secretary-General also indicates, with a view to the recent introduction of IPSAS and Umoja, that various approaches to measuring the efficiency exist, such as comparing inputs and outputs or costs and outputs; assessing efficiency at the results level or at the level of outputs and processes; or placing a focus on the administrative process under the umbrella of the global service delivery model, which is currently under development.

20. On a related matter, with respect to the global service delivery model, the Advisory Committee recalls its recommendation that any organizational changes to the existing service delivery model can be made only after approval by the General Assembly of a detailed proposal for a new service delivery model of the United Nations Secretariat and reiterates that it expects that a detailed proposal will be submitted at the main part of the seventy-first session of the General Assembly (see A/70/436, paras. 37 and 47).

21. The Advisory Committee enquired as to progress made in measuring the Organization's overall efficiency, effectiveness and related accountability tools and processes and was informed that systems reflecting proper segregation of duties and ensuring adequate checks and balances had been strengthened. Specific examples were provided in such areas as: (a) recruitment, where the central review bodies are responsible for monitoring the integrity of the process; (b) finance, where certifying and approving functions are separated; and (c) procurement, where the roles of the requisitioning officer and the procurement officer are separated. In addition, the roles of four oversight bodies, the Ethics Office and the United Nations Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (ST/SGB/2000/8) have been clearly articulated. Also, the recently introduced enterprise risk management system has resulted in the completion of a Secretariat-wide risk assessment exercise, with the implementation of mitigating measures now under way.

22. **The Advisory Committee stresses that a number of systems should have the capability to measure activities, such as the enterprise resource management system (Umoja) and IPSAS, which are set up to identify anomalies or inaccuracies, to produce timely management information and to determine trends. The Committee observes, however, that the details provided in the report of the Secretary-General with respect to measuring the efficiency of the Organization lack precision and operational applicability and do not present quantifiable data or describe in concrete terms which systems are in place to uniformly measure efficiency within the United Nations.**

23. **The Advisory Committee is of the view that further efforts are needed to define and measure the efficiency and effectiveness of the Organization in a tangible manner. The Committee therefore recommends that the General Assembly request the Secretary-General to develop a practical approach, based on clear and realistic indicators, aimed at presenting a comprehensive picture so as to improve the management and stewardship of the Organization.**

C. Evaluating outcomes

Self-evaluation pilot programme in the Department of Management

24. The Advisory Committee recalls that the Secretary-General, in connection with his fourth progress report on the accountability system, made reference to the implementation of a pilot for strengthening the self-evaluation capacity within the Department of Management to address the lack of resources for implementing a strong evaluation framework Secretariat-wide (see A/69/802, para. 9). In paragraph 21 of his present report, the Secretary-General indicates that the pilot was conducted within the Department of Management and has resulted in two completed evaluations. The first evaluation focused on the use of mobile devices and the

second on compliance with performance management requirements, while the third evaluation had not been completed owing to time and staff resource constraints. The Secretary-General also states that the two completed evaluations produced useful insight and information but were labour-intensive and time-consuming. He refers to the report of the Office of Internal Oversight Services (OIOS), in which it is stated that the evaluation capacity in the Secretariat in past years has been uneven and inadequate, specifically owing to a lack of dedicated personnel and resources, inadequate staff competencies and lack of evaluation culture (see A/70/72, paras. 27-35).

25.   **The Advisory Committee considers that, given that evaluation staff expertise and capacity are available within the Organization, there is a need to make full use of the evaluation capacity and experience of OIOS to ensure that departmental self-evaluation exercises are performed regularly and professionally. The Committee recalls that the Secretary-General has presented specified resources, for the biennium 2016-2017, for monitoring and evaluation activities, covering mandatory self-assessments and discretionary self-evaluations.**

26.   **The Advisory Committee recalls its recommendation, which was endorsed by the General Assembly in its resolution 70/249, that the Secretary-General undertake a comprehensive assessment of the impact of these activities on programme design and resource allocation across the different budget sections (see A/70/7, paras. 59-61). The Committee expects the inclusion in the first report on the proposed programme budget for the biennium 2018-2019.**

D.   Operationalizing and enforcing a credible personal and institutional accountability framework

27.   In paragraphs 22 to 35 of his report, under the heading "Risk treatment and response plan", the Secretary-General lists the corporate risk owners, at the senior management level, together with the various activities under their purview, and describes a so-called risk treatment plan.

28.   The Advisory Committee notes that the aforementioned risk treatment and response plan lacks operational precision and does not, in fact, include a response plan that sets out measures to hold senior managers accountable for handling the risks associated with their respective areas of responsibility. This would, for example, include instances of general or specific mismanagement, such as the application of unrealistic budget assumptions[2] or the implementation of costly, but unsuccessful, management initiatives. Other examples that would include requirements for collaborative inter-agency or interdepartmental actions, such as in the implementation of the newly adopted information and communications strategy, are addressed in detail by the Committee in its report on the report of the Board of Auditors on progress in the handling of information and communications technology affairs in the Secretariat (A/70/755).

29.   **The Advisory Committee is of the view that the necessary measures must be in place to link individual responsibilities with organizational activities, whether these pertain to day-to-day management tasks or broader institutional**

_____

[2] The Advisory Committee intends to comment further on this matter in the context of its forthcoming report on the report of the Board of Auditors on United Nations peacekeeping operations (see A/70/5 (Vol. II), paras. 30-34).

change initiatives. The Committee is of the view that the credibility of the accountability framework rests on the ability of the Organization to operationalize and enforce remedial measures for staff and officials who have not adequately exercised their responsibilities. The Advisory Committee therefore recommends that the General Assembly request the Secretary-General to develop a clear, transparent and precise set of parameters, aimed at defining responsibility areas, particularly for senior managers, for non-compliance of these responsibility areas. The Committee looks forward to receiving concrete information thereon in the context of the Secretary-General's sixth progress report on the accountability framework.

30. In paragraphs 82 and 83, under the heading "Holding staff accountable for improper decisions", statistics are provided for the period from 1 July 2014 to 30 June 2015, during which a total of 60 disciplinary measures were imposed on 64 staff members. In this connection, with respect to the practice of the Secretary-General in disciplinary matters and cases of possible criminal behaviour, the Advisory Committee recalls, inter alia, that the revised administrative instruction on investigations and the disciplinary process had not yet been issued (see A/70/718, paras. 12-17).

III. Conclusion

31. The action to be taken by the General Assembly is set out in paragraph 91 of the report of the Secretary-General. **The Advisory Committee recommends that the Assembly take note of the fifth progress report of the Secretary-General on the accountability system in the United Nations Secretariat, subject to its observations and recommendations in the paragraphs above.**

––––––––––––––