United Nations A/77/273

General Assembly

Distr.: General
5 August 2022

Original: English

Seventy-seventh session
Item 137 of the provisional agenda*
Review of the efficiency of the administrative and financial functioning of the United Nations

Activities of the Independent Audit Advisory Committee for the period from 1 August 2021 to 31 July 2022

Report of the Independent Audit Advisory Committee

Summary

The present report covers the period from 1 August 2021 to 31 July 2022. During the period, the Independent Audit Advisory Committee held four sessions, which were presided over by Janet St. Laurent (United States of America) as Chair and Agus Joko Pramono (Indonesia) as Vice-Chair. As has been the case during the history of the Committee, all members attended all the sessions during their appointments.

Section II of the report contains an overview of the activities of the Committee, the status of its recommendations and its plans for 2023. Section III sets out the detailed comments of the Committee.

* A/77/150.

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Contents

I. Introduction

1. The General Assembly, by its resolution 60/248, established the Independent Audit Advisory Committee as a subsidiary body to serve in an expert advisory capacity and to assist it in fulfilling its oversight responsibilities. By its resolution 61/275, the Assembly approved the terms of reference for the Committee, as well as the criteria for its membership, as contained in the annex to that resolution. In accordance with its terms of reference, the Committee is authorized to hold up to four sessions per year.

2. In accordance with its terms of reference, the Committee submits an annual report containing a summary of its activities and related advice to the General Assembly. The present fifteenth annual report covers the period from 1 August 2021 to 31 July 2022.

3. The Committee is also required to advise the General Assembly on the compliance of management with audit and other oversight bodies' recommendations; the overall effectiveness of the risk management procedures and deficiencies in the internal control systems; the operational implications of the issues and trends set out in the financial statements and the reports of the Board of Auditors; and the appropriateness of the accounting and disclosure practices in the Organization. The Committee also advises the Assembly on the steps necessary to facilitate cooperation among the oversight bodies.

4. The present report addresses the issues identified during the reporting period as they pertain to the above-mentioned responsibilities of the Committee.

II. Activities of the Independent Audit Advisory Committee

A. Overview of the sessions of the Committee

5. During the reporting period, the Committee held four sessions: from 7 to 10 December 2021 (fifty-sixth session), from 16 to 18 February 2022 (fifty-seventh session), from 19 to 21 April (fifty-eighth session) and from 20 to 22 July (fifty-ninth session). Owing to the challenges associated with the coronavirus disease (COVID-19) pandemic, the fifty-sixth and fifty-seventh sessions were held virtually, whereas the fifty-eighth and fifty-ninth sessions were held in a hybrid mode in Geneva and New York, respectively.

6. The Committee functions under its adopted rules of procedure, as contained in the annex to its first annual report (A/63/328). To date, all members of the Committee have attended all its sessions. All the decisions of the Committee have been unanimous; however, its rules of procedure make provision for members to record their dissent with respect to decisions taken by the majority.

7. During the fifty-sixth session, in December 2021, the members unanimously re-elected Janet St. Laurent (United States of America) as Chair and Agus Joko Pramono (Indonesia) as Vice-Chair for 2022. Furthermore, the Committee hosted a sixth meeting of the Chairs and Vice-Chairs of the United Nations system oversight committees to discuss best practices, lessons learned and other issues of importance to the United Nations oversight community. Additional information about the Committee can be found on its website (www.un.org/ga/iaac) in all the official languages of the United Nations.

8. During the reporting period, the Committee published three reports: the Committee's annual report to the General Assembly for the period from 1 August 2020 to 31 July 2021 (A/76/270); and two reports to the Assembly, through the

Advisory Committee on Administrative and Budgetary Questions, on the proposed budget of the Office of Internal Oversight Services (OIOS) under the support account for peacekeeping operations for the period from 1 July 2022 to 30 June 2023 (A/76/720) and on the proposed programme budget of the Office for 2023 (A/77/85).

B. Status of the recommendations of the Committee

9. During the reporting period, the Committee addressed numerous issues, in particular in relation to implementation of oversight body recommendations, enterprise risk management, cybersecurity, the statement on internal control, the operations of OIOS and financial reporting. The Committee follows up on the implementation of its recommendations as a standard agenda item at each session. Some of the significant recommendations made by the Committee during the reporting period related to:

(a) The need for management to use lessons learned from the root cause analysis of the low implementation rate by some entities of the Secretariat as a means to achieve timely implementation of the recommendations of oversight bodies;

(b) The need for OIOS and management to further improve timeliness during the implementation process because timely implementation of recommendations is an important element of the accountability system;

(c) The need for dialogue between the Joint Inspection Unit, the Management Committee and some entities of the Secretariat to identify ways to improve on the low acceptance rate by the entities concerned of the recommendations of the Joint Inspection Unit;

(d) The need to expand the implementation of enterprise risk management throughout the Organization;

(e) The need for OIOS to consider, in its future workplans, the need for holistic reviews of non-programmatic departments that are no longer subject to programme evaluation by the Inspection and Evaluation Division of OIOS;

(f) The need for OIOS to finalize the key performance indicators relating to the balanced scorecard performance measurement system and also to finalize the targets and results for the remaining indicators;

(g) The need for OIOS to address the issue of vacancy levels as a matter of priority, and to use lessons learned from the pandemic to inform future OIOS workplans and risk assessment processes;

(h) The need for the Investigations Division to analyse the root causes of why investigations exceed targeted time frames, including any constraints on resources, and propose solutions to improve time frames;

(i) The need for the Committee to monitor the progress with respect to the refinement of the statement on internal control assessment questionnaire and implementation of the remediation plan;

(j) The need for management to improve the reporting of fraud and presumptive fraud, including the resolution of pending cases of investigation;

(k) The need for the General Assembly to consider alternative after-service health insurance liability funding strategies to mitigate this ever-growing risk.

C. Overview of the plans of the Committee for 2023

10. The Committee undertook its responsibilities, as set out in its terms of reference, in accordance with the scheduling of the sessions of the Advisory Committee on Administrative and Budgetary Questions and the General Assembly. The Committee will continue to schedule its sessions and activities to ensure coordinated interaction with intergovernmental bodies and the timely availability of its reports. In a preliminary review of its workplan, the Committee identified several key areas that will be the main focus for each of its four sessions for fiscal year 2023 (see table 1).

Table 1
Workplan of the Committee from 1 August 2022 to 31 July 2023

Session	*Key focus area*	*Intergovernmental consideration of the report of the Committee*
Sixtieth	Review of the 2023 workplan of the Office of Internal Oversight Services (OIOS) in the light of the workplans of other oversight bodies	Advisory Committee on Administrative and Budgetary Questions, first quarter of 2023
	Proposed budget of OIOS under the support account for peacekeeping operations for the period from 1 July 2023 to 30 June 2024	General Assembly, second part of the resumed seventy-seventh session
	Operational implications of issues and trends in the financial statements and reports of the Board of Auditors	
	Coordination and cooperation among oversight bodies, including hosting a coordination meeting of oversight committees	
	Election of the Chair and Vice-Chair for 2023	
Sixty-first	Status of implementation of oversight bodies' recommendations	General Assembly, second part of the resumed seventy-seventh session
	Report of the Committee on the OIOS support account budget	
	Review of the enterprise risk management and internal control framework in the Organization	
Sixty-second	Operational implications of issues and trends in the financial statements and reports of the Board of Auditors	Advisory Committee on Administrative and Budgetary Questions, second quarter of 2023
	Proposed programme budget for OIOS for the year ended 31 December 2024	General Assembly, main part of the seventy-eighth session
	Coordination and cooperation among oversight bodies	
	Transformational projects and other emerging issues	
Sixty-third	Preparation of the annual report of the Committee	General Assembly, main part of the seventy-eighth session
	Review of the enterprise risk management and internal control framework in the Organization	
	Status of implementation of oversight bodies' recommendations	
	Coordination and cooperation among oversight bodies	

11. In planning its work, the Committee is mindful of the following relevant events that could have an impact on its work activities:

(a) The maturation of the various reform/transformational initiatives on which the Organization has embarked;

(b) The financial situation of the Organization;

(c) The impact of the "new normal", brought about by the COVID-19 pandemic, on the work of the Committee;

(d) Lessons learned from the external and self-assessments conducted by OIOS.

III. Detailed comments of the Committee

A. Status of the recommendations of United Nations oversight bodies

12. Under paragraph 2 (b) of its terms of reference, the Committee is mandated to advise the General Assembly on measures to ensure the compliance of management with audit and other oversight recommendations. The Committee maintains that if the weaknesses identified by the oversight bodies are fully addressed in a timely manner, the chances for the Organization to achieve its objectives are greatly improved. During the reporting period, the Committee reviewed the status of implementation by management of the recommendations of United Nations oversight bodies, as a standard practice.

Board of Auditors

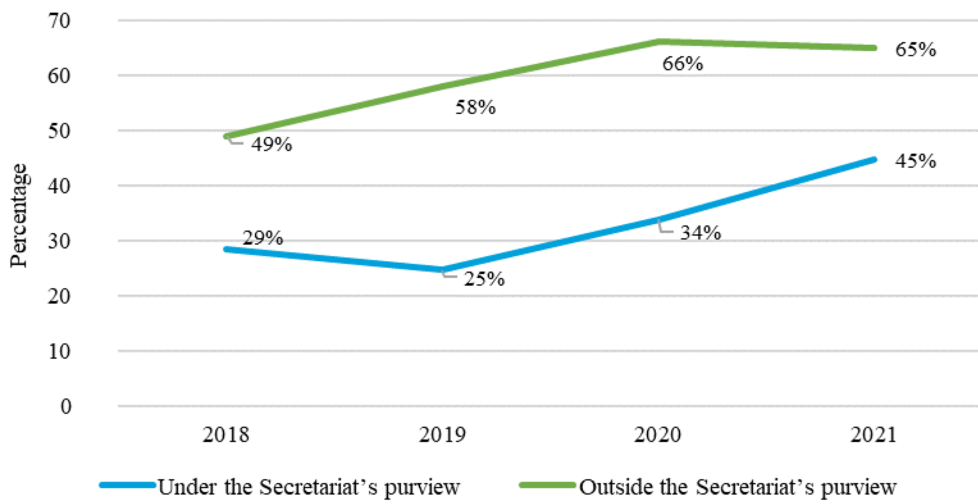
13. Consistent with the established practice, the Committee received the advance copies of the Board of Auditors reports for the period ending 31 December 2021. According to the concise summary of the principal findings and conclusions contained in the reports of the Board of Auditors for the annual financial period 2021 (A/77/240), the overall average implementation rate of outstanding prior period recommendations for the entities under the Board's purview continued to improve and stood at 53 per cent in 2021, up from 48 per cent in 2020 (see table 2).

Table 2
Overall status of implementation of outstanding previous audit recommendations under the purview of the Board of Auditors for 2021 and 2020

	Recommendations		*Implemented*		*Implementation rate (percentage)*	
	2021	*2020*	*2021*	*2020*	*2021*	*2020*
Under the Secretariat's purview	622	638	278	216	45	34
Outside the Secretariat's purview	405	496	264	325	65	66
Overall	1 027	1 134	542	541	53	48

14. Although entities outside the purview of the Secretariat performed much better (with an average implementation rate of 65 per cent), this figure is slightly lower than the 66 per cent registered in 2020. The implementation rate of entities under the purview of the Secretariat, on the other hand, saw their average rate rise from 34 per cent in 2020 to 45 per cent in 2021. Figure I shows a four-year trend in the implementation rates of the Board of Auditors recommendations.

Figure I
Trends in the implementation rate of Board of Auditors recommendations, 2018–2021



15. **The Committee noted that the implementation rate of recommendations under the purview of the Secretariat has continued to improve. However, the implementation rate for Secretariat entities continues to lag behind the rate for entities outside the Secretariat's purview. The Committee recommends that the Secretariat should continue to improve the implementation rate.**

16. Table 3 shows colour-coded details of the implementation rates for entities under the purview of the Secretariat. As can be seen, all but one entity showed improvements in the implementation rates. The largest improvement came from: (a) peacekeeping operations, which increased from 36 per cent to 60 per cent; (b) the United Nations Environment Programme, which increased from 42 per cent to 68 per cent; and (c) the United Nations Human Settlements Programme (UN-Habitat), which increased from 5 per cent to 40 per cent.

Table 3
Detailed status of implementation of outstanding previous audit recommendations for 2021, 2020 and 2019: entities under the purview of the Secretariat

	Recommendations			*Implemented*			*Implementation rate (percentage)*		
	2021	*2020*	*2019*	*2021*	*2020*	*2019*	*2021*	*2020*	*2019*
United Nations (Vol. I)	278	279	224	98	96	49	35	34	22
United Nations peacekeeping operations (Vol. II)	89	116	103	83	42	24	60	36	23
International Trade Centre	21	23	17	8	7	4	38	30	24
United Nations Environment Programme	85	84	35	58	35	11	68	42	31
United Nations Human Settlements Programme	88	66	38	35	3	3	40	5	8
United Nations Office on Drugs and Crime	29	41	50	13	25	21	45	61	42
International Residual Mechanism for Criminal Tribunals	32	29	19	13	8	7	41	28	37
Total	**622**	**638**	**486**	**278**	**216**	**119**	**45**	**34**	**24**

Legend

<15	15–20	20–25	25–30	30–35	35–40	40–45	45–50	50–55	55–60	>60

Low implementation rate (percentage) — High implementation rate (percentage)

17. As can be seen, the implementation rate of volume I recommendations continues to be low, although it has improved. The Committee again followed up with management on the reasons for the low implementation rate of volume I recommendations and was informed that the Management Committee, together with the Department of Management Strategy, Policy and Compliance, was continuing to make this a priority and that relevant entities had been requested to make the implementation of oversight recommendations a priority and encouraged senior managers to personally get involved in the interactions with the auditors, if required.

18. The Board of Auditors, in its concise summary for 2021, attributed the sometimes low implementation rate to several factors including: (a) the duration of the compliance deadline imposed by the entities themselves that may span multiple audit periods to allow gradual progress; (b) the fact that some recommendations may include multiple components that collectively address a single finding. In such instances, an entity may show that it has implemented the major part of the recommendation but not all of it. In such cases, the recommendations will be considered “under implementation”.

19. **The Committee welcomes management’s effort to improve the implementation rate. Since volume I accounts for the largest share of all recommendations of the Board, the Committee calls upon management to double its efforts to further improve the implementation rate of the Board’s recommendations.**

Office of Internal Oversight Services

20. The Committee was informed that, in its recently issued status report for 2021, OIOS had noted that the implementation rate of its recommendations remained high overall. According to OIOS, most of its recommendations were eventually

implemented, with long-term trends showing that less than 0.5 per cent of OIOS recommendations were not accepted, and only around 1 per cent of OIOS recommendations were closed as unimplemented (with management accepting responsibility for not addressing the underlying risk). OIOS further noted that, for recommendations issued prior to 2019, 97 per cent had been implemented, or alternate acceptable remedial actions had been taken. For those recommendations issued in 2019 and 2020, 83 per cent had been implemented, and 47 per cent of recommendations issued in 2021 had already been implemented.

21. That progress notwithstanding, management informed the Committee that, as at 28 February 2022, there were 1,003 outstanding OIOS recommendations, 60 of which had been outstanding since 2017 (19 of these had been outstanding since 2015). Management further noted that heads of the concerned entities had been requested by the Management Committee at its meeting on 13 April 2022 to review the OIOS recommendation dashboard and ensure that the entities were addressing the outstanding recommendations. The Committee was informed that some of the outstanding recommendations of OIOS pertained to the United Nations Office for Project Services (UNOPS). This matter is addressed further in paragraph 65.

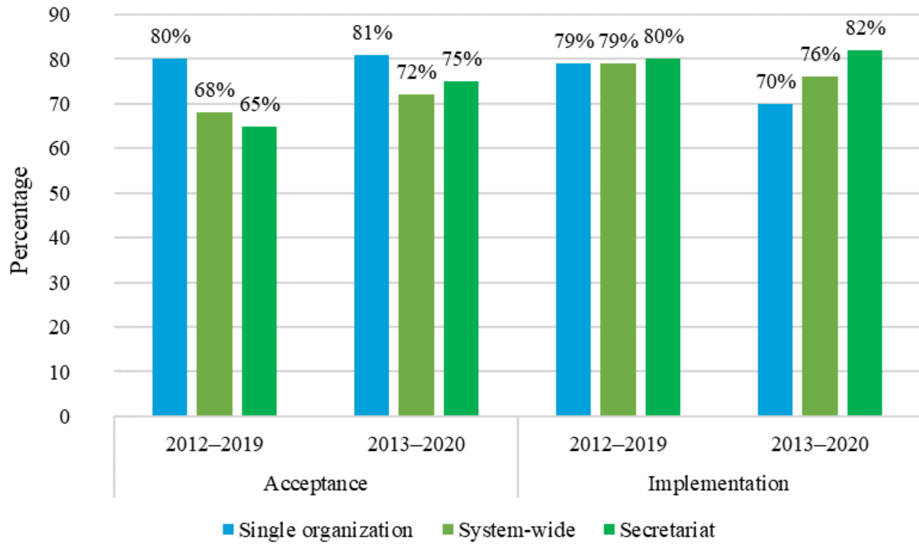
22. **The Committee acknowledges the important role the Management Committee plays in ensuring that management is implementing the recommendations of oversight bodies. In view of the risk associated with delayed implementation of the recommendations, the Committee calls upon the Management Committee and OIOS to close the 60 outstanding recommendations from 2017 by no later than 30 June 2023 and take steps to minimize or avoid outstanding recommendations that are more than four years old.**

Joint Inspection Unit

23. In its annual report for 2021 and programme of work for 2022 (A/76/34), the Joint Inspection Unit noted that the average rate of acceptance of recommendations made between 2013 and 2020 in single organization reports was slightly higher, at 81 per cent compared with 80 per cent for the period 2012–2019. The rate for system-wide reports and notes covering several organizations had also increased (72 per cent in the period 2013–2020 compared with 68 per cent in the period 2012–2019). The Unit also noted that, during the same period, the implementation rate of recommendations in single organization reports and notes continued to trend lower, standing at 70 per cent in the period 2013–2020 compared with 79 per cent in the period 2012–2019. For system-wide reports and notes, the Unit reported an implementation rate of 76 per cent, which is a decline from the 79 per cent reported in the period 2012–2019. Nevertheless, the Unit commended the organizations for the action taken to implement its recommendations.

24. For the United Nations Secretariat, the average acceptance rate continued to increase from 65 per cent for the period 2012–2019 to 73 per cent for the period 2013–2020. The average implementation rate, on the other hand, decreased slightly from 82 per cent for the period 2012–2019 to 80 per cent (see figure II).

Figure II
Joint Inspection Unit overall acceptance and implementation rates, 2012–2019 and 2013–2020

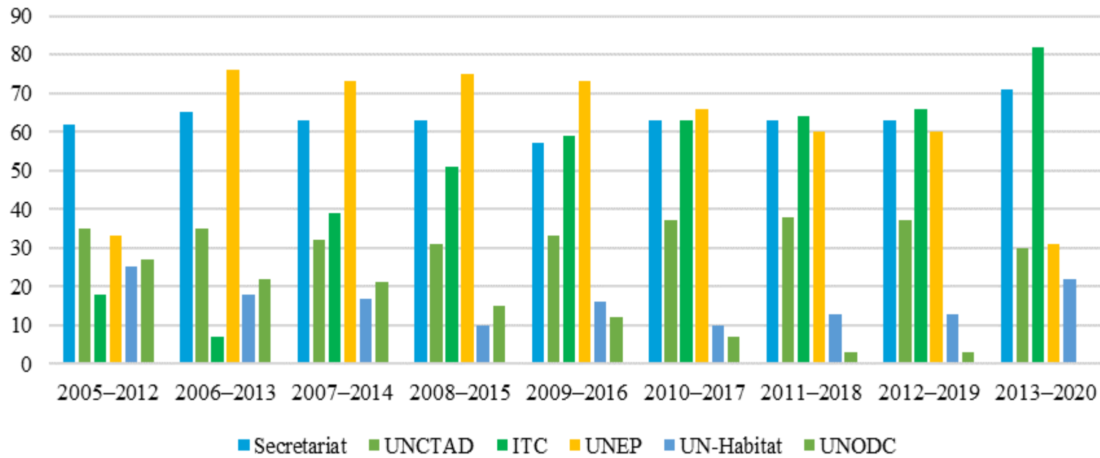


25. **Despite some metrics trending slightly lower, the Committee concurs with the Joint Inspection Unit in commending the entities for the effort that they are making regarding acceptance and implementation of the Unit's recommendations.**

26. The Committee also reviewed the trend analysis of the average acceptance rates of the recommendations of the Joint Inspection Unit for entities under the purview of the Secretariat. In its 2021 annual report, while commending management for its effort to accept and implement Joint Inspection Unit recommendations at a rate higher than the average, the Committee expressed its concern regarding the low acceptance rate of some entities within the purview of the Secretariat, including UN-Habitat.

27. As shown in figures III and IV, the Committee found that some entities, such as the Secretariat and the International Trade Centre, have consistently shown improvements in the acceptance rates (currently above 70 per cent) (see figure III). The acceptance rate of UN-Habitat, although improved, is still low (at about 22 per cent) compared with the previous periods, while that of United Nations Environment Programme declined from 60 per cent the previous period to 30 per cent. As for the United Nations Office on Drugs and Crime (UNODC), no figures were provided. Upon follow-up, the Committee was informed that UNODC had experienced technical difficulties during the review process, and that the issue had since been resolved, but not in time to make it into the report of the Joint Inspection Unit.

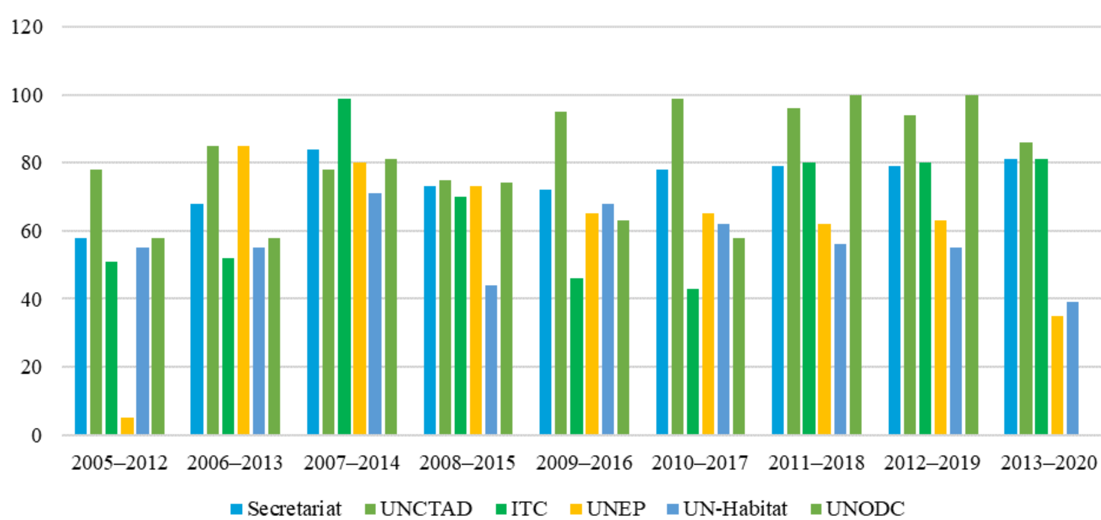
Figure III
Status of acceptance of recommendations of the Joint Inspection Unit (entities under the purview of the Secretariat), 2005–2012 to 2013–2020
(Percentage)



Abbreviations: ITC, International Trade Centre; UNCTAD, United Nations Conference on Trade and Development; UNEP, United Nations Environment Programme; UN-Habitat, United Nations Human Settlements Programme; UNODC, United Nations Office on Drugs and Crime.

28. With respect to the implementation rate, the Secretariat, the United Nations Conference on Trade and Development and ITC remained high (above 81 per cent). However, the United Nations Environment Programme declined from 60 per cent to 35 per cent, and UN-Habitat declined from 56 per cent to 35 per cent. As was the case for the acceptance rate, the implementation rate for UNODC was not reported (see figure IV).

Figure IV
Status of implementation of recommendations of the Joint Inspection Unit (entities under the purview of the Secretariat), 2005–2012 to 2013–2020
(Percentage)



Abbreviations: ITC, International Trade Centre; UNCTAD, United Nations Conference on Trade and Development; UNEP, United Nations Environment Programme; UN-Habitat, United Nations Human Settlements Programme; UNODC, United Nations Office on Drugs and Crime.

29. During the reporting period, the Committee followed up with the Joint Inspection Unit and the Department of Management Strategy, Policy and Compliance regarding the dialogue among the Joint Inspection Unit, the Management Committee and the Joint Inspection Unit participating organizations concerned to look into the root cause of the low acceptance and implementation rates. The Committee was informed that the concerned parties had agreed on several initiatives to improve the acceptance and implementation rates. These included: (a) every year, the Business Transformation and Accountability Division would hold a meeting with the five participating organizations to discuss the Joint Inspection Unit programme of work and to come to a consensus on which Joint Inspection Unit reviews required individual answers from each participating organization and which ones would be addressed through a common answer of the Secretariat for all Secretariat entities; (b) for any review that fell under the purview of the United Nations Secretariat, the Business Transformation and Accountability Division would systematically share the Secretariat's responses to the questionnaires and draft reports of the Joint Inspection Unit with the relevant participating organizations for their information and additional comments, where appropriate; and (c) where there were genuine reasons for their non-participation in a review that was not deemed to be under the purview of the overall United Nations Secretariat, participating organizations should inform the Joint Inspection Unit accordingly.

30. With respect to implementation, the Committee was informed that the following steps would be undertaken: (a) for any review that fell under the purview of the United Nations Secretariat, the Business Transformation and Accountability Division would systematically share the Secretariat's responses to the questionnaires of the secretariat of the United Nations System Chief Executives Board for Coordination, reflecting the acceptance status of the Joint Inspection Unit recommendations, as cleared by the Executive Office of the Secretary-General; (b) for those recommendations that were implementable at the Secretariat level rather than by individual entities, the Business Transformation and Accountability Division would also share the Secretariat's responses, reflecting the acceptance status of the Joint Inspection Unit recommendations with the five participating organizations. The Department of Management Strategy, Policy and Compliance further noted that for such cases, the participating organizations would inform the Joint Inspection Unit that they had aligned their acceptance decision with the position of the Secretariat, hence ensuring a consistent approach for all Secretariat entities.

31. Management noted that it expected the above initiatives to increase the acceptance and implementation rates, thereby allaying the concerns of the Committee.

32. **The Committee welcomes the dialogue among the stakeholders regarding the acceptance and implementation of Joint Inspection Unit recommendations. The Committee continues to underscore the importance and value of the recommendations of the Joint Inspection Unit to the Organization. In that regard, the Committee commends the efforts of management that have led the Secretariat to continue to perform at a higher rate than the United Nations system-wide average as far as the acceptance and implementation rates are concerned. The Committee indicates that the outcome of the dialogue among the stakeholders is a step in the right direction and looks forward to improvement in the acceptance and implementation rates of the Joint Inspection Unit recommendations.**

Web-based tracking system

33. During the year, the Committee interacted with the Joint Inspection Unit and other stakeholders and was informed about how the web-based tracking system had contributed to the progressive improvement in the acceptance and implementation of

the recommendations of the Unit. That positive development notwithstanding, the Unit noted that the system needed to be replaced to address some of the issues with it that users had noted. The Unit informed the Committee that the system was heading towards obsolescence and that the risk of interruption of service due to failures was increasing daily. The Unit informed the Committee that it was in the process of looking for extrabudgetary funding for this initiative.

34. **Given the positive impact that the web-based tracking system has had on the acceptance and implementation of the recommendations of the Joint Inspection Unit, the Committee welcomes the effort of the Unit to upgrade the system, and plans to monitor the progress in this regard.**

B. Risk management and internal control framework

35. Paragraphs 2 (f) and (g) of the terms of reference of the Committee (see General Assembly resolution 61/275, annex) mandate the Committee to advise the General Assembly on the quality and overall effectiveness of risk management procedures and on deficiencies in the internal control framework of the United Nations.

Enterprise risk management

36. The Committee has long noted that enterprise risk management is an integral and important management tool of the Organization. The Committee has emphasized that top management attention is needed to continue to actively lead enterprise risk management efforts to ensure that identifying and managing risks become standard ways of doing business across the Organization. During the current reporting period, the Committee continued to follow up with management on the progress made in making enterprise risk management a management tool that is fully embedded in the Organization.

37. In paragraph 33 of its previous report (A/76/270), the Committee identified four major factors that are the hallmark of a useful enterprise risk management process, namely: (a) the robustness of the risk register; (b) the risk mitigation plan; (c) the embeddedness of enterprise risk management; and (d) the application to support the implementation of enterprise risk management across the entire Secretariat. The Committee followed up with management on the status of the above elements during the current reporting period.

38. With respect to the risk register, the Committee recalls paragraph 32 of its previous report (A/75/293), in which management informed the Committee that it would continue to treat the risk register as a living document and that regular updates would be made as a result of changes to the risk profile of the Organization. Management has informed the Committee that, owing to the emerging risks, and the fast-changing environment in which the Organization operates, the current risk register is due for another revision. Management further noted that the Management Committee had agreed to revise the Secretariat-wide risk register through a risk assessment to be carried out during the second half of 2022.

39. **The Committee acknowledges the important role the Management Committee continues to play in setting the tone for a robust enterprise risk management process. The Committee commends management on its decision to perform an updated risk assessment and looks forward to seeing an updated risk register after the assessment is completed.**

40. The Committee was informed that the Management Committee had endorsed the risk treatment and response plans for the 16 critical risks identified in the Secretariat-wide risk register, and that the Business Transformation and

Accountability Division was monitoring the implementation of the plans, including the application of remedial measures. As an example, management shared the risk treatment and response plans from working group 5 on extrabudgetary funding, donor fund management and implementing partners/financial contributions, and from working group 8 on theft including fuel, rations and inventory/procurement fraud.

41. With regard to working group 5, and considering the issues raised by the internal and external auditors regarding whether some inter-agency agreements for services are providing sufficient value for money, the Committee asked for an explanation of how risks were added and what plans were in place to strengthen management of implementing partners. In response, management informed the Committee that: (a) the Secretariat had joined with other entities in using an online portal used by a number of United Nations organizations that enabled the screening of potential partners in a centralized, standardized and harmonized manner; (b) the working group planned to go back to the task force and to the Management Committee for guidance as to how to deal with non-performing implementing partners; and (c) regarding the external audit of implementing partners, based on threshold and operational circumstances, the corporate partner agreement had been updated to include audit policies. The Committee was further informed that work on the implementation of the risk treatment plan for the corporate risk on extrabudgetary funding, donor fund management and implementing partners was continuing.

42. **The Committee notes the efforts of management to mitigate the risks of the Organization. The Committee also notes that the Board of Auditors, in its most recent report (A/77/5 (Vol. I)), has confirmed that management finalized the risk treatment plans of some entities. The above developments notwithstanding, in view of the recent developments relating to implementing partners, the Committee calls upon management to actively manage this risk by updating the current risk mitigation plans consistent with the Board of Auditors and OIOS recommendations made in their respective reports.**

43. Within the context of working group 8 on fraud and theft, management provided the Committee with an advance copy of the Fraud and Corruption Awareness Handbook. According to management, the Handbook was developed to be a guide for staff at all levels. The Committee was further informed that a strategy to operationalize the Handbook (in response to the prior recommendation of the Board of Auditors (A/73/5 (Vol. I), para. 267)) would be developed.

44. **The Committee welcomes the effort of management to finalize the Fraud and Corruption Awareness Handbook, and believes that it will be a useful tool to address this critical risk. The Committee will continue to follow up on management's steps to develop additional guidance to operationalize the Handbook.**

45. With respect to embedding enterprise risk management at the entity level, management informed the Committee that entities had made significant progress in this area. According to management, 35 entities (14 field missions and 21 other entities, namely: offices away from Headquarters, regional commissions and 14 Secretariat departments, offices or entities) had completed their risk registers and were in the process of developing and implementing their risk treatment plans. This represented 61 per cent of the 57 priority entities that had been selected by management (A/76/270, para. 31). According to management, most of the remaining entities were on track to complete their risk registers and treatment plans by 2023.

46. With respect to the fourth element, namely, the application to support the implementation of enterprise risk management, the Committee was informed that the Department of Management Strategy, Policy and Compliance was continuing to work on the transition from the "paper-based" risk registers to the new automated tool

called "Fortuna". According to management, the system was available to manage relevant risk-related information, and the Business Transformation and Accountability Division was working with the Office of the Controller to catalogue the internal controls in alignment with the risk management framework, for their migration into Fortuna. Moreover, in collaboration with the Enterprise Resource Planning Solution Division, management indicated that the Business Transformation and Accountability Division was also in the process of developing appropriate management reports.

47. **The Committee acknowledges the efforts of management to embed enterprise risk management in the Organization. The Committee calls upon management to continue its efforts to make enterprise risk management a useful assessment and decision-making tool that helps the Organization to effectively identify and respond to risks associated with a rapidly changing environment.**

48. **The Committee will continue to monitor the progress of the risk assessment at the entity level and the development and implementation of risk treatment plans. Recalling its prior recommendation, contained in paragraph 80 of its previous report (A/74/280), that management should implement the governance, risk and compliance module as a means of ensuring effective second and third lines of defence, the Committee welcomes the efforts of management to develop the automated risk register "Fortuna" and encourages the utilization of the tool at the entity level and the corporate level.**

Information and communications technology risk

49. According to the revised Secretariat-wide risk register, information and communications technology (ICT) risks are among the critical risks of the Organization. Specifically, the Organization lists ICT strategy and infrastructure as well as ICT governance and cybersecurity as critical and very high risks that warrant attention and mitigation. During the current reporting period, the Committee received briefings and held meetings to discuss these issues with senior management in order to ascertain what the Organization was doing to address these risks. The Committee also learned that Board of Auditors audits have identified a number of significant findings in the area of information technology governance and cybersecurity. Some of the key issues that have been reported by the Board of Auditors include: (a) the Organization has adopted a fragmented approach to address cybersecurity challenges, which has led to 237 of 949 software applications, or 25 per cent, that were not fully compliant with security requirements; (b) 19 per cent of active staff had not completed required mandatory information technology security training (this is an area in which the Committee has made a previous recommendation to management to take steps to facilitate full compliance); (c) the network segmentation project has not seen concrete progress owing to lack of close coordination and other competing priorities; (d) there is no overarching policy for data centre management to define roles, responsibilities and coordination mechanisms for key stakeholders; and (e) there is no disaster recovery plan for key ICT resources located in the United Nations Headquarters data centre.

50. The Committee noted that the Board of Auditors made numerous recommendations to address these issues in its most recent reports. In addition to issues raised by the Board of Auditors, the Committee also learned in its discussions with senior management that the Organization currently lacks an agreed upon investment plan that reflects the results of rigorous analysis of the Organization's future needs for hardware and software, alternative ways of meeting these needs and resources required to implement validated needs and approaches.

51. **Although the Organization has adopted some risk mitigation plans to address information technology and cybersecurity needs, the Committee believes**

that these are urgent issues that warrant additional management attention and review in order to update the risk mitigation plans for these areas. Such a review should include an examination of the ways that the Organization can more efficiently use existing resources allocated to information technology and cybersecurity, as well as a review of resource needs to put the Office on a sound footing for the future. The Committee also encourages management to place high priority on implementing the recommendations of the Board of Auditors to address the audit findings discussed above.

C. Effectiveness, efficiency and impact of the audit, investigation, inspection and evaluation activities of the Office of Internal Oversight Services

52. Under its terms of reference, the Committee has the responsibility to advise the General Assembly on aspects of internal oversight (resolution 61/275, annex, paras. 2 (c)–(e)). In undertaking to fulfil its mandate, the Committee has maintained its standard practice of meeting with the Under-Secretary-General for Internal Oversight Services and other senior OIOS officials during its sessions. The discussions have been focused on OIOS workplan and budget execution, significant findings reported by OIOS, operational constraints (if any), post incumbency, the status of implementation by management of OIOS recommendations, including critical recommendations, and strengthening investigations.

53. During the current period, the Committee continued to focus its assessment on: (a) strategic planning, OIOS effectiveness and performance measurement; (b) the quality and impact of OIOS recommendations; (c) matters associated with the Investigations Division; and (d) the role of OIOS in the context of the 2030 Agenda for Sustainable Development, including its work on environmental, social and governance initiatives. This assessment was conducted against the backdrop of the OIOS priorities referred to in paragraph 6 of the report of the Committee entitled “Internal oversight: proposed programme budget for 2022” (A/76/81).

Effectiveness of the Office of Internal Oversight Services and performance measurement

Performance audit versus evaluation

54. While welcoming the concerted efforts by OIOS to make performance audits a priority, the Committee acknowledged that the current performance audit being done by the Internal Audit Division is focused on specific elements of a department rather than the whole department. In paragraph 39 of its previous report (A/76/270), the Committee had recommended that OIOS undertake a holistic performance audit of non-programmatic departments that are no longer the subject of programme evaluation by the Inspection and Evaluation Division.

55. The Committee reviewed the workplan of OIOS for the 2021 and 2022 budget proposals but did not find evidence of holistic reviews of non-programmatic departments. The Committee followed up with OIOS on the progress with respect to the implementation of the above recommendation and was informed that OIOS considered that this recommendation had been implemented. OIOS asserted that, through its risk-based approach to the development of its workplan, it aimed to ensure sufficient assurance across all entities falling within its oversight mandate. The Committee was further informed that the Internal Audit Division and the Inspection and Evaluation Division closely coordinated the development of their respective audit and evaluation workplans, and assessments of risks and weaknesses, as well as other insights gained through their respective audit and evaluation activities, were shared and

taken into account in determining appropriate oversight coverage: either performance audit or evaluation. This allowed complementarity between the Internal Audit Division and the Inspection and Evaluation Division, avoided duplication and overlap, and ensured that audit and evaluation expertise was more effectively used. For example, the review of the accountability system was a joint exercise, with the Inspection and Evaluation Division contributing expertise in theory of change and programme design, and population survey techniques. Moreover, the Inspection and Evaluation Division biennial review on strengthening evaluation covered non-programmatic departments.

56. **So as not to have evaluation or performance audit gaps, the Committee welcomes the initiatives of OIOS to address the changes in the evaluation strategy of the Office. The Committee also welcomes the collaboration of the two Divisions to address the performance and evaluation needs of the Organization.**

OIOS performance metrics

57. As noted in paragraph 20 of the report of the Committee entitled "Internal oversight: proposed programme budget for 2021" (A/75/87), OIOS changed its performance measurement system from the programme impact pathways and is now using several sets of new performance indicators including a balanced scorecard system. During the current reporting period, the Committee followed up with OIOS on the status of the performance metrics. OIOS reiterated that it monitored four dimensions, namely: impact; relations with key stakeholders; internal processes (economy, efficiency and effectiveness); and internal capacity. OIOS further noted that it continued to monitor its performance through a combination of external and internal reporting mechanisms, and that the key performance indicators were reported to key stakeholders by: (a) programme plan (regular budget); (b) support account budget performance; (c) OIOS annual reports (parts I and II); and (d) the annual status report, focused on the impact of recommendations (trends, focus areas) and including a new recommendation status dashboard.

58. OIOS further indicated that internal monitoring was facilitated by the OIOS balanced scorecard, division-specific indicators, continuous monitoring activities through the enhanced data analytics and dashboards, and other key performance indicators, such as individual staff performance agreements and workplans.

59. **Based on the information provided to the Committee about the various metrics that OIOS uses to gauge its performance both internally and externally, the Committee believes that OIOS currently lacks a streamlined set of metrics that can be used from year to year to compare its performance and facilitate trend analysis. The Committee recommends that OIOS review its numerous performance metrics and identify the critical metrics that will be most useful to stakeholders in assessing the effectiveness of OIOS.**

Vacant posts in the Office of Internal Oversight Services

60. With respect to the vacancy situation in OIOS, the Committee continues to consider this a significant risk; hence it appears as a standing item on its agenda. The Committee is aware that several factors affected the timely filling of positions in 2021 across the Secretariat. The Committee was informed that, as at 30 June 2022, the overall vacancy rate for OIOS stood at 18.3 per cent, the same level as the previous year. The Committee was further informed that the Inspection and Evaluation Division registered the lowest vacancy rate, at 13.2 per cent, while the Investigations Division had the highest vacancy rate, at 27.5 per cent.

61. **The Committee reiterates its prior recommendations that OIOS address the issue of vacancy levels as a matter of priority.**

Quality and impact of the recommendations of the Office of Internal Oversight Services

62. Audit recommendations identify risks to the successful delivery of outcomes consistent with policy and legislative requirements and highlight actions aimed at addressing those risks and opportunities for improving entity administration. As noted in its previous report, entities are responsible for the implementation of audit recommendations to which they have agreed, and the timely implementation of recommendations allows entities to realize the full benefit of audit activity.[1] During the current reporting period, the Committee continued to request the views of OIOS on the status, quality and impact of management's implementation of the recommendations of OIOS. The Committee requested an update on the work of OIOS pertaining to the Mine Action Service because OIOS and the Board of Auditors have raised questions about whether this organization's reliance on inter-agency partners is being managed properly and providing good value for money.

63. In response, OIOS informed the Committee that it was undertaking regular monitoring and reporting of entities' implementation of recommendations. This process had been facilitated by the new web-based portal, which allowed entities to directly provide updates to OIOS on the implementation of its recommendations at any time. In turn, the OIOS audit managers and evaluation managers reviewed the evidence submitted by entities on implementation actions and, as relevant: (a) closed the recommendation as implemented; or (b) requested that the entity provide additional evidence or take alternate implementing actions. In addition to continuous review and monitoring, OIOS indicated that it formally requested management to provide a status update on all recommendations every six months (and every three months for critical recommendations).

64. Specifically, the Inspection and Evaluation Division informed the Committee that it had identified important evaluations that, if not implemented, would have an impact on the Organization's ability to achieve its objectives. In this case, the implementation of the recommendations pertaining to the Sustainable Development Goals, and to sexual exploitation and abuse were considered critical and followed up regularly. The Internal Audit Division informed the Committee that one area that it felt was lagging in addressing the recommendations was the work done on implementing partners. The Internal Audit Division believed that there was a need for a better assessment to manage the risks of implementing partners. According to OIOS, a number of recommendations had not yet been implemented and had been outstanding for a number of years. The Committee was also informed that, in addition to the recommendations under the purview of the Department of Management Strategy, Policy and Compliance, other entities such as the United Nations Environment Programme had outstanding recommendations on implementing partners.

65. In the context of the above challenges with implementing partners, the Committee was informed that OIOS had carried out two audits, in 2017[2] and 2019,[3] on the oversight of the Mine Action Service pertaining to implementing partners, and that some of the recommendations pertaining to those audits were still outstanding. The audits identified significant weaknesses in the oversight of the Mine Action Service of its use of UNOPS to implement mine action programmes and recommended that the Mine Action Service evaluate alternative approaches, improve oversight and strengthen various provisions of its agreement with UNOPS. As part of

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[1] See www.anao.gov.au/work/performance-audit/implementation-audit-recommendations.

[2] Report 2017/080: Audit of the management of the memorandum of understanding between the United Nations Secretariat and a United Nations agency.

[3] Report 2019/152: Audit of the monitoring and evaluation mechanism in the United Nations Mine Action Service.

its due diligence, the Committee, in addition to OIOS, heard from the Board of Auditors, management and other stakeholders about their concerns and findings. The Committee was informed that the implementation of some of the findings of the oversight bodies in this respect were pending the consultant's review of the memorandum of understanding between the United Nations Secretariat and UNOPS.

66. **The Committee commends OIOS for its focus on addressing areas of high risk to the Organization. The Committee is aware that management of implementing partners is one of the critical risks of the Organization and that there are several significant recommendations in this area that have not yet been implemented. The Committee calls upon management to ensure that recommendations of oversight bodies are implemented in a timely manner to mitigate the Organization's critical risks, including risks in managing implementing partners. The Committee also recommends that management quickly finalize the amended memorandum of understanding with UNOPS.**

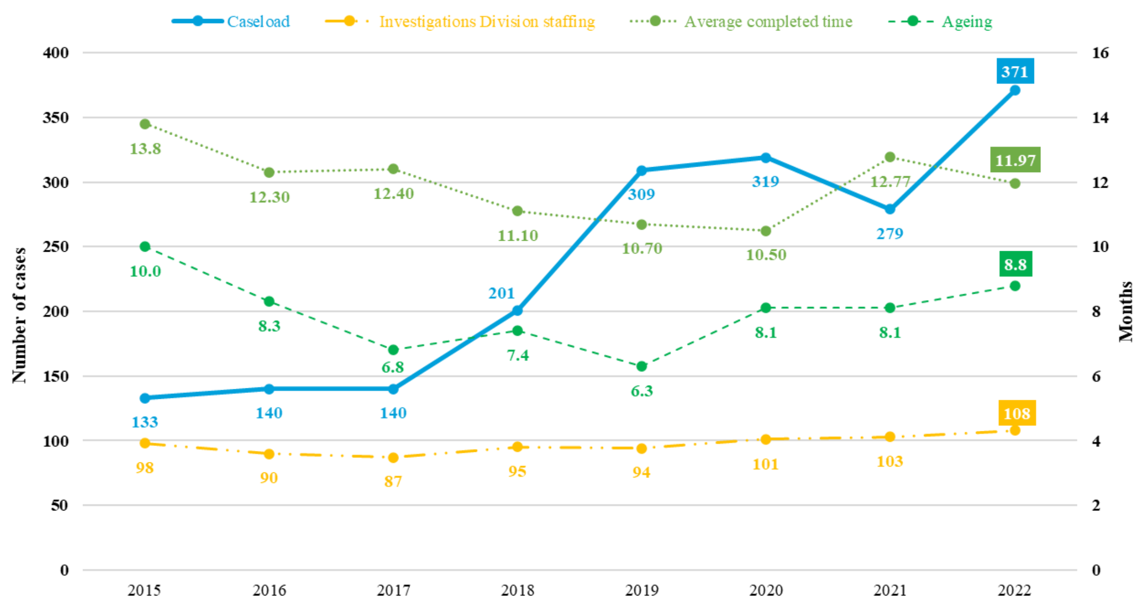
Timeliness in the completion of investigation cases

67. With respect to the completion of investigations, as has previously been mentioned, the timeliness with which oversight work (in this case, investigation) is completed is an essential element of an effective accountability system. During the reporting period, the Committee met with senior officials at both New York Headquarters and in Geneva. Throughout the discussions, a common refrain from many officials that the Committee interacted with was that investigations take too long to either finalize, or in the case of category II[4] cases, to be referred back to management.

68. The Committee followed up with OIOS on some of its performance indicators and was informed that the average completion time had improved slightly from 12.77 months in 2021 to 11.97 months as at 30 June 2022 (the longest completion time in the last eight years was 13.8 months in 2015). The average age of the cases, on the other hand, had increased slightly from 8.1 months in 2021 to 8.8 months as at 30 June 2022, with the longest average (10 months) in 2015. According to OIOS, the caseload had risen dramatically from 133 cases in 2015 to 279 cases in 2021 to 371 cases as at 30 June 2022 (see figure V).

[4] According to paragraph 1.3.1 of the OIOS Investigation Manual, misconduct cases are classified into two broad categories according to the relative seriousness of the contravention and the risk to the Organization.

Figure V
Trends in caseload, ageing and completion, 2015–2022 (at 30 June 2022)



69. **The Committee notes that the caseload has almost trebled from 133 cases in 2015 to 371 cases as at June 2022, yet the number of staff during the eight-year period increased by only 10 posts, from 98 to 108. During that time, the other key performance indicators (the ageing of cases and the average length per case) have been trending downwards, albeit more slowly than the Committee would have liked. This is commendable given the large increase in caseload and small increase in staff. However, 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, and the high vacancy rate notwithstanding, the Committee recommends that OIOS reviews the resource needs of the Investigations Division vis-à-vis the needs of its stakeholders with a view to developing a plan to further reduce the average time of completing investigations and managing the referrals.**

Role of the Office of Internal Oversight Services in the context of the 2030 Agenda for Sustainable Development, including its work on environmental, social and governance initiatives

70. During the reporting period, the Committee followed up with OIOS on the progress that OIOS was making in mainstreaming the 2030 Agenda throughout its own operations. As part of its follow-up process, the Committee was informed that the annual risk-based work planning methodology of OIOS required teams to identify opportunities within all assignments so as to mainstream assessment of questions related to the Sustainable Development Goals. OIOS further noted that five recent audits had been focused on the Sustainable Development Goals, including: (a) audit of the activities of the United Nations Office for Partnerships in support of the Sustainable Development Goals (2022/019); (b) audit of the secretariat of the Joint Fund for the 2030 Agenda for Sustainable Development (2021/077); (c) audit of mainstreaming Sustainable Development Goals and COVID-19 response into the programme of work of the Economic Commission for Europe (2021/048); (d) audit of financing for development activities in the Department of Economic and Social

Affairs (2021/037); and (e) audit of the United Nations Environmental Programme secretariat of the Convention on International Trade in Endangered Species (2021/051).

71. The Committee was further informed that the Inspection and Evaluation Division had conducted recent evaluations of the regional commissions, in which the focus was on the 2030 Agenda, addressing various Sustainable Development Goals. OIOS further noted that the thematic evaluation of the Secretariat contribution to the Sustainable Development Goals would also be completed in 2022.

72. Moreover, at the sixth meeting of the representatives of the United Nations system oversight committees, the participants discussed the role of the United Nations with respect to the environmental, social and governance initiatives. The participants were further informed that relevant standard-setters were starting to address the issue of sustainability reporting. For example, the International Federation of Accountants had noted that growing global demand for sustainability in society had fuelled the demand for enhanced reporting. Also, the International Public Sector Accounting Standards Board was proposing that non-financial information on progress towards addressing key drivers of climate change should be disclosed in financial statements. It was noted that approaches on environmental, social and governance reporting were emerging worldwide and that the United Nations might wish to monitor such developments.

73. The Committee requested information from OIOS on its views regarding the environmental, social and governance initiatives in the Secretariat and was informed that not only was the environmental, social and governance priority one of the strategic priorities of OIOS, but it also featured in the strategic focus areas and critical risks of the Secretary-General. OIOS further noted that it had integrated environmental, social and governance risk into the overall OIOS programme and work planning and in individual assignment planning and scoping.

74. The Committee was further informed that the recent report of the Secretary-General (A/75/982), which had been welcomed by the General Assembly in its resolution 76/6, outlined actions designed to accelerate the implementation of the Sustainable Development Goals.

75. **The Committee welcomes the effort that the Organization in general, and OIOS in particular, is putting into addressing the matters associated with mainstreaming the Sustainable Development Goals and the associated environmental, social and governance initiatives.**

D. Financial reporting

76. During the reporting period, the Committee engaged in discussions with the Board of Auditors, the Under-Secretary-General for Management Strategy, Policy and Compliance and the Controller on issues relating to financial reporting. The issues discussed included:

(a) Statement on internal control;

(b) Status of the risk mitigation plan for extrabudgetary management and implementing partners;

(c) After-service health insurance liability;

(d) Issues and trends apparent in the financial statements of the Organization and the reports of the Board of Auditors.

Statement on internal control

77. With respect to the statement on internal control, the Committee continued to receive regular updates from management. According to management, the strengthening of the Secretariat-wide internal control framework is a key enabler for the implementation for the management reform initiative of the Secretary-General, especially in the light of the significant change in the business model of the Secretariat derived from the delegation of authority framework. As noted in the Committee's previous reports, the statement on internal control is an accountability document that describes the effectiveness of internal controls in an organization. To that end, the Committee was informed that the Secretary-General had recently signed the second statement on internal control to provide reasonable assurance to the Member States on the effectiveness and efficient implementation of mandated activities, the reliability of financial reporting and compliance with the regulatory framework.

78. In paragraph 78 of its previous report (A/76/270), the Committee expressed its intention to follow up with management in regard to the assessment questionnaire and remediation plan. The Committee continued to meet with stakeholders and noted that one of the concerns raised was the excessively long questionnaire, which risked the statement on internal control process becoming a paper exercise. The Committee was informed that management had since made some enhancements, including: (a) gathering functional experts to decide on the key questions; (b) analysing comments and feedback received on the previous exercise; (c) reviewing a number of questions on key controls to target the key risks; (d) considering the recommendations of the Internal Control Advisory Group; and (e) integrating the key performance indicators.

79. As a result of this multi-step review process, management indicated that a revised self-assessment questionnaire had been circulated, which contained 30 per cent fewer questions and was focused on essential controls, with 45 key performance indicators. The Committee was further informed that heads of entities had signed an assurance statement that included remediation plans, that a link between enterprise risk management and the statement on internal control had been streamlined, and that progress was being made towards implementing an electronic statement on internal control platform.

80. The Committee also held discussions with the Internal Control Advisory Group, where issues pertaining to the status of the statement on internal control were discussed. Specifically, the Committee sought from the Group its views on the status and future of the statement on internal control process.

81. **The Committee remains aware that the statement on internal control is going through a maturity process. Nevertheless, the Committee believes that reasonable progress has been made to date. For the statement on internal control to be a useful management tool, the Committee is of the view that there must be a concerted effort from senior managers to communicate the value of the process and importance of responding diligently to the questionnaire. The Committee commends management for requiring heads of entities to sign assurance statements since this reinforces the need for providing accurate assessments. The Committee will continue to monitor the statement on internal control process as it matures.**

Fraud and presumptive fraud

82. With respect to fraud and presumptive fraud, management provided a summary of the cases for a period of three years (see table 4). As shown in table 4, there was a decrease in the number of reported cases of fraud (13) in 2021 compared with 2020

(20), while the number of cases of presumptive fraud declined from 91 to 79. Recalling paragraph 81 of the Committee's previous report (A/76/270), management agreed with the Board of Auditors that more needed to be done to improve the fraud reporting process, including the resolution, by the respective investigative bodies, of the 32 cases pending investigation. According to the Board of Auditors, entities were continuously improving the process for reporting cases of presumptive fraud and fraud cases to the Office of the Controller.

Table 4
Fraud and presumptive fraud, 2017–2021

	Fraud		*Presumptive fraud*	
	Number of cases	*Estimated amount (millions of United States dollars)*	*Number of cases*	*Estimated amount (millions of United States dollars)*
2021	13	0.12	79	11.19
2020	20	0.2	91	32.3
2019	13	0.3	134	6.1
2018	6	3.6	26	2.9
2017	4	0.5	62	44.4

83. **The Committee notes the improvement in the coordination in the reporting of cases of fraud and presumptive fraud. The Committee will continue to monitor this trend at its future sessions.**

84. In paragraph 80 of its previous report (A/76/270), it was reported that 32 cases of presumptive fraud had been pending investigation for more than two years. Accordingly, the Committee called upon management to address the investigation of the pending cases.

85. The Committee followed up with management on the presumptive fraud cases reported in 2018, 2019 and 2020. With regard to the 26 presumptive fraud cases reported in 2018, 16 were confirmed as fraud, and 10 were closed without substantiated fraud. For 2019, of the 134 presumptive fraud cases, 27 were substantiated as fraud, 75 were closed and 32 were still under investigation. With regard to 2020, out of the 91 cases reported, 14 were reported as fraud, 29 were closed and 48 were still under investigation.

86. **The Committee believes that prompt investigation of such cases is one of the ways to curb impunity and increase accountability.**

End-of-service liabilities

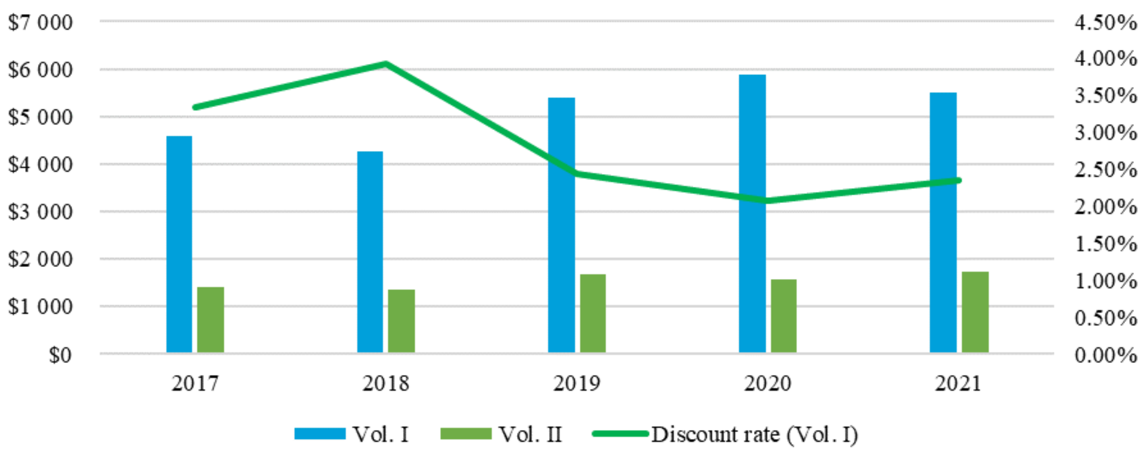
87. With respect to the end-of-service liabilities, the Committee recalls its prior comments and recommendations (see A/63/328 and A/69/304), in which the Committee had called upon the General Assembly to decide whether, how and to what extent the liabilities would be funded. Furthermore, during the Committee's discussions with various offices, management continued to consider as a major concern the issue of employee benefits liabilities, specifically after-service health insurance.

88. According to the Board of Auditors (A/77/240, table 4), after-service health insurance liabilities for the United Nations (Vol. I) decreased from $5.89 billion as at 31 December 2020 to $5.50 billion as at 31 December 2021, representing a decrease of 6.57 per cent from the previous year. On the other hand, for the peacekeeping operations (Vol. II), after-service health insurance liabilities as at 30 June 2021 stood

at $1.73 billion, up from $1.58 billion the previous year – representing a 10.2 per cent increase (see figure VI). The two volumes combined saw a 3.1 per cent decrease compared with the previous year.

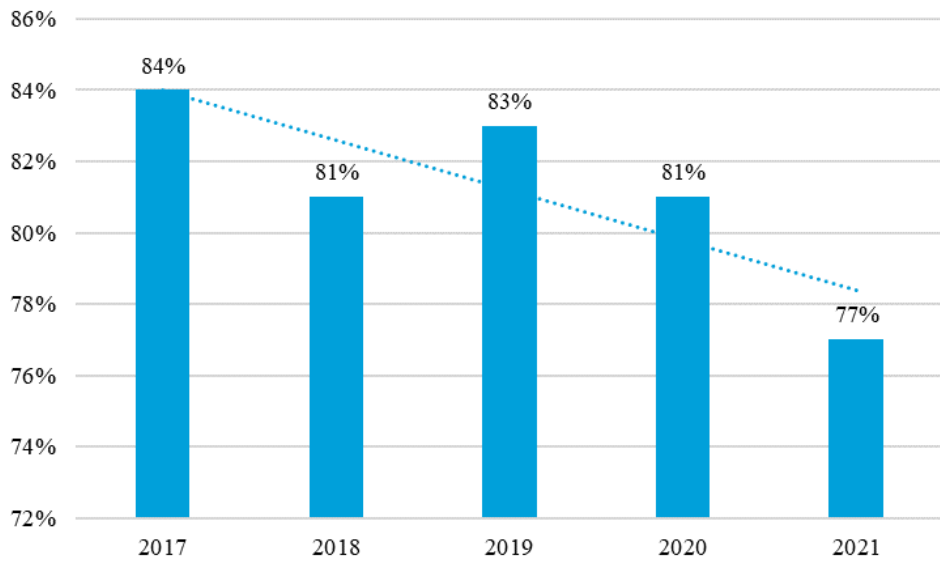
89. The Committee also received a briefing from management regarding the after-service health insurance liabilities. Management indicated that the 2021 fiscal year had provided for more improvements in the valuation of after-service health insurance, such as the enrichment of census data with the insurance enrolment period, and an update of after-service health insurance liabilities allocation ratios for retired employees.

Figure VI
After-service health insurance liabilities, 2017–2021
(United States dollars)



90. The Committee also looked at the trends in employee liabilities as a percentage of the total liabilities as noted in the Board of Auditors concise summary reports for the last five years. Although after-service health insurance liabilities remain high (over $5 billion for volume I), the trend in the after-service health insurance liabilities as a percentage of the total liabilities has been trending downwards (see figure VII). The Committee enquired from management the reasons for this trend and was informed that this was because other liabilities had increased over the time period. For instance, in 2021, whereas employee benefit liabilities had decreased by 4 per cent, other liabilities had increased by 24 per cent.

Figure VII
Trends in employee benefit liabilities as a percentage of total liability for volume I, 2017–2021



91. In its previous report, the Committee reported that the General Assembly, in its resolution 73/279 B, requested the Secretary-General to further explore options for the improvement of the efficiency and the containment of costs, including liabilities associated with current and future staff, with a view to reducing the Organization's expenditure on health insurance plans and its after-service health insurance obligations. The Committee was informed, however, that the Assembly had not reached a position on the issue.

92. **The Committee notes the declining trend of the after-service health insurance liability as a percentage of the total liabilities. The Committee believes that this trend should not mask the fact that after-service health insurance liabilities remain a significant risk and is of the view that the General Assembly may wish to revisit this matter at its future sessions.**

E. Coordination among United Nations oversight bodies

93. During the reporting period, in addition to its regularly scheduled meetings with OIOS, the Committee met with other oversight bodies, such as the Joint Inspection Unit and the Board of Auditors, including the Audit Operations Committee. The dialogue allowed for the sharing of perspectives on matters of mutual concern and provided a useful opportunity for cooperation among United Nations oversight bodies.

94. The Committee sought comments from the three oversight bodies, each of which emphasized, in their comments, the existing coordination mechanisms, including the sharing of their programmes of work. In separate meetings with the Board of Auditors, the Joint Inspection Unit and OIOS, the Committee noted the positive relationship fostered through the tripartite coordination meetings of the oversight bodies and the sharing of workplans in an effort to avoid duplication. The Committee believes that such coordination provides a valuable platform for additional opportunities for cooperation.

95. **The Committee continues to see evidence of coordination among the oversight bodies, as exemplified by the cross-referencing to each other's work.**

96. Furthermore, in December 2021, the Committee virtually hosted a sixth meeting of the representatives of the United Nations system oversight committees. A total of 38 representatives from 23 oversight committees, from organizations within the Secretariat, the funds and programmes and the specialized agencies, attended the meeting.

97. During the meeting, discussions resumed, building on the previous meetings, with regard to common challenges and potential identification of good practices in the work and conduct of the United Nations system oversight committees. Participants focused on: (a) the Data Cube Initiative and its relevance in support of the Secretary-General's agenda for a data-driven transformation of the United Nations system; (b) the Joint Inspection Unit reviews on cybersecurity, the ethics function, business continuity and implementing partners; (c) the consistency and practices of the executive secretariats supporting oversight committees; (d) the status of human capital in the United Nations system and the future workforce; and (e) the role of oversight bodies in respect of the environmental, social and governance initiative as an element of the 2030 Agenda.

98. Following the conclusion of the meeting, the participants agreed to convey the concerns outlined above to the Secretary-General, in his capacity as Chair of the United Nations System Chief Executives Board for Coordination. In his letter, the Secretary-General highlighted the progress that the organizations had achieved in this respect.

F. Cooperation and access

99. The Committee reports that it received good cooperation from OIOS and management in the Secretariat, including the Department of Management Strategy, Policy and Compliance, in discharging its responsibilities. The Committee was given appropriate access to the staff, documents and information that it needed in order to conduct its work. The Committee is pleased to report that it continued to work closely with the Joint Inspection Unit and the Board of Auditors. The Committee looks forward to continued cooperation with the entities with which it interacts in order to discharge its responsibilities, as set out in its terms of reference, in a timely manner.

IV. Conclusion

100. In the context of its terms of reference, the Independent Audit Advisory Committee presents the preceding observations, comments and recommendations, as contained in paragraphs 15, 19, 22, 25, 32, 34, 39, 42, 44, 47, 48, 51, 56, 59, 61, 66, 69, 75, 81, 83, 86, 92 and 95 for the consideration of the General Assembly.