



General Assembly

Distr.: General
23 February 2023

Original: English

Seventy-seventh session

Agenda item 151

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

Proposed Budget of the Office of Internal Oversight Services under the support account for peacekeeping operations for the period from 1 July 2023 to 30 June 2024

Report of the Independent Audit Advisory Committee

Summary

The present report contains the comments, advice and recommendations of the Independent Audit Advisory Committee 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 2023 to 30 June 2024. The Committee's observations, conclusions and recommendations about the support account budget of OIOS continue to be guided by the current and emerging risks facing the Organization. The Committee also recognizes that OIOS is going through a series of external quality assessments that will culminate in a holistic review of the Office. The Committee's position on the adequacy of resources of OIOS will be guided in part by the outcome of those reviews.



I. Introduction

1. The Independent Audit Advisory Committee presents herein its comments, advice and recommendations to the General Assembly, through the Advisory Committee on Administrative and Budgetary Questions, on the budget of the Office of Internal Oversight Services (OIOS) under the support account for peacekeeping operations for the period from 1 July 2023 to 30 June 2024. The report is submitted in accordance with paragraphs 2 (c) and (d) of the Committee's terms of reference (General Assembly resolution [61/275](#), annex).

2. The Committee has a responsibility to examine the workplan of OIOS, taking into account the workplans of the other oversight bodies, and to advise the General Assembly thereon; to review the budget proposal of the Office, taking into account its workplan; and to make recommendations to the Assembly through the Advisory Committee. The Committee undertook its review of the OIOS work-planning process and the proposed budget for OIOS under the support account for peacekeeping operations for the period 1 July 2023 to 30 June 2024 during its sixtieth and sixty-first sessions, held from 6 to 9 December 2022 and from 15 to 17 February 2023, respectively.

3. The Committee appreciates the efforts of the Office of Programme Planning, Finance and Budget and OIOS in providing the Committee with the relevant documents for consideration. OIOS also provided supplementary information in response to various questions from the Committee.

II. Background

4. The proposed financial and post resources for OIOS for 2023/24 as compared with 2022/23 are provided in the table below.

Financial resources

(Thousands of United States dollars)

	Financial resources					Posts and positions			
	Approved 2022/23	Proposed 2023/24	Approved 2022/23 budget vs. proposed 2023/24 budget	Variance		Approved 2022/23	Proposed 2023/24	Variance	
				Percentage	Percentage of total budget			2023/24 budget vs. approved 2022/23	Percentage
Internal Audit Division	17 715.30	16 906.80	(808.50)	(4.6)	52.7	76	76	—	—
Inspection and Evaluation Division	2 466.60	2 493.40	26.80	1.1	7.8	11	11	—	—
Investigations Division	12 567.90	11 988.00	(579.90)	(4.6)	37.3	61	61	—	—
Executive Office	716.4	723.30	6.90	1.0	2.3	4	4	—	—
Total	33 466.20	32 111.50	(1 354.70)	(4.0)	100	152	152	—	—

Note: Budget figures provided by the Office of Programme Planning, Finance and Budget, Field Operations Finance Division.

5. As shown in the table above, the proposed OIOS budget under the support account for peacekeeping operations for the period from 1 July 2023 to 30 June 2024 is estimated at \$32,111,500 (gross), which represents a decrease of \$1,354,700 (gross), or 4.0 per cent, below the previous year's approved budget of \$33,466,200 (gross). Upon enquiry, the Committee was informed that the decrease was mainly a

result of adjustments to vacancy rates (higher rates were used), offset in part by an increase in the post adjustment). According to management, in response to the request by legislative bodies for more accurate vacancy rates, it was decided that an across-the-board policy for the vacancy rate was to be applied, using more realistic rates on the basis of the current 12-month average vacancy rate, from January to December 2022, or the actual vacancy rate as at 31 December 2022, by entity, and on an exceptional basis also taking into account projected onboardings for January 2023.

6. The Committee recognizes that the consideration of the OIOS budget proposals with regard to the specific grade level of OIOS posts and requests for non-post resources is more appropriately within the remit of the Advisory Committee on Administrative and Budgetary Questions. The Independent Audit Advisory Committee's review, comments and advice will therefore focus on the scope of its own terms of reference with respect to the work planning and budgeting process of OIOS. In accordance with its terms of reference, the Committee will submit the present report to the General Assembly through the Advisory Committee on Administrative and Budgetary Questions. Arrangements will be made to interact with the Advisory Committee to discuss the content of the report.

7. The Independent Audit Advisory Committee was informed that the various external assessments that OIOS had embarked upon were at different stages of completion. The assessment pertaining to the Investigations Division had been completed, and those for the Internal Audit Division and the Inspection and Evaluation Division would be completed this year and next year. OIOS further informed the Committee that the Office was in the process of assessing the impact of recommendations from the external assessments of the Investigation Division and that, at the moment, there would be no change in the resource requirements until such a review was finalized.

III. Comments of the Independent Audit Advisory Committee

A. Internal Audit Division

8. In its previous reports, the Committee has made a number of recommendations relating to the work of OIOS in general and the Internal Audit Division work-planning and budgeting process in particular. The Committee notes that OIOS continues to make an effort to implement most of these recommendations. The Committee also notes that the Internal Audit Division continues to employ residual risk as the basis for its workplan. At 52.9 per cent of the total approved OIOS budget under the support account, the Internal Audit Division still remains the largest of the three divisions of the OIOS budget under the support account.

Workplan implementation

9. With respect to the Internal Audit Division for 2021/22, the Committee was informed that 46 assignments (71 per cent of the original plan; 84 per cent of the vacancy-adjusted plan) had been delivered for the period 1 July 2021–30 June 2022. In other words, 65 assignments had been planned on a full incumbency assumption; with a 15 per cent vacancy, the adjusted number of assignments had gone down to 55, of which 46 had been completed.

10. The Committee was informed that, during the current fiscal year 2022/23, 38 of the 64 assignments were expected to be completed by 31 December 2022. OIOS further noted that the Division was on target to complete all 64 assignments by the target date of 30 June 2023.

11. The Committee notes the impact the high vacancy rate has had on the implementation of the work of the Internal Audit Division for the 2021/22 fiscal year. While, according to OIOS, the workplan implementation for 2022/23 is expected to be on track for a 100 per cent completion rate, the Committee continues to be concerned that the consistently high vacancy rate in the Internal Audit Division could affect that target. The Committee reiterates its recommendation that OIOS address the vacancy challenges if it is to fulfil its mandate. The Committee will continue to follow up on this issue in future sessions.

Risk-based workplan

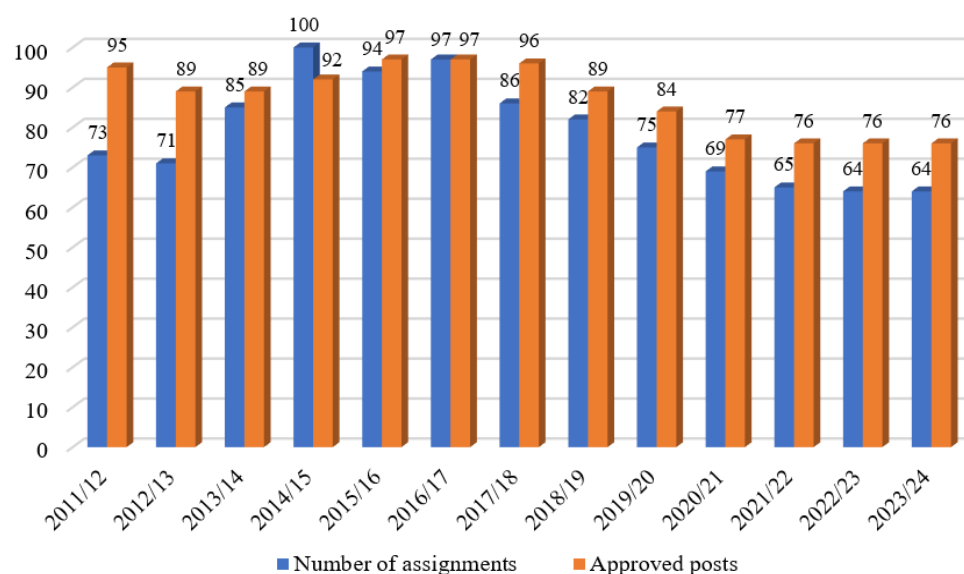
12. In paragraph 26 of its report ([A/64/652](#)), the Committee recommended that the Internal Audit Division adopt more robust audit workplans that are based on residual risk. The Committee was informed that the workplan for the period 2023/24 continued to be based on the high-level enterprise risk management categories contained in the Secretariat risk register. As part of the 2023 risk-based planning exercise, OIOS indicated that the Internal Audit Division had revalidated its assurance strategy through Secretariat- and entity-level risk assessments and analysis. According to OIOS, the assurance strategy continued to be based on a five-year horizon, covering medium risks every five years and high risks every three years. Taking into account assignments completed over the prior two years, the Internal Audit Division noted that it identified assignments over the coming three years to ensure the above assurance strategy is implemented. The Committee was further informed that, in response to the Committee's previous recommendations, the Internal Audit Division workplan for 2023/24 included 33 assignments that covered fraud and corruption risks, including procurement and supply chain audits.

Assignment/resource trend analysis

13. As shown in figure I, OIOS indicated that the Internal Audit Division planned to undertake the same number of assignments (64 audit assignments) related to peacekeeping operations for the fiscal period 2023/24 as the previous fiscal year 2022/23. The number of posts was also expected to remain the same as the previous fiscal period, at 76 posts from a high of 97 posts in the period 2016/17.

Figure I

Internal Audit Division Assignment/posts resources trends



14. For the 2023/24 fiscal year, the Committee was informed that the completion of 64 assignments assumed that all authorized positions were filled. However, assuming that the Internal Audit Division maintains a 10 per cent vacancy rate, the number of completed assignments is expected to be 58. A list of proposed indicative audit topics is contained in annex I. **The Committee's view on this matter is contained in paragraph 11. The Committee will continue to monitor these trends in future reports and budgets.**

Capacity gap and budget proposal for 2023/24

15. As part of the budget of OIOS, the Committee requested that OIOS provide a risk-based capacity gap analysis as the basis for the resource requirement. Accordingly, the Internal Audit Division informed the Committee that, for the 2023/24 budget, it foresaw a significant gap in Entebbe, Uganda (covering the Regional Service Centre in Entebbe and the United Nations Interim Security Force for Abyei (UNISFA)), the United Nations Mission in South Sudan (UNMISS), and with respect to information and communications technology (ICT) risks. According to OIOS, the current gap would be managed through: (a) an active effort to fill vacant posts (especially since 3 ICT posts were currently vacant); (b) identifying opportunities to work with other Internal Audit Division teams to mainstream coverage of ICT risks into other assignments; and (c) the rescoping of assignments, if necessary. OIOS further proposed to address partially the gap by requesting one new G7 position. However, that request was not supported in the budget submission. Through discussions with OIOS, the Committee learned that the ICT capacity gap of the Internal Audit Division could be eliminated by filling existing vacancies.

16. **The Committee notes the effort that the Internal Audit Division has put into managing its resources to address the risks of the Organization. The Committee continues to believe that OIOS should place priority on filling its vacant posts to address the gap in the resources for the Internal Audit Division peacekeeping budget. The Committee also notes that the upcoming external assessment of the Division in 2023 may provide additional perspective on the Division's operations and resource needs; hence, the Committee plans to revisit this matter at that time. The Committee, therefore, endorses the resource requirements as shown in the table above.**

B. Inspection and Evaluation Division

Workplan implementation

17. In paragraph 24 of its report ([A/67/772](#)), the Committee recommended that, in order for the Inspection and Evaluation Division to ensure its continued relevance to decision makers, it should, inter alia, finalize its reports in a timely manner. During the deliberations, the Committee was informed that, for the 2021/22 fiscal year, out of the six assignments planned for the period 1 July 2021–30 June 2022, five assignments had been delivered in 2021/22. These included: (a) a thematic evaluation of political affairs in peacekeeping missions; (b) an outcome evaluation of the contribution of the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) to the rule of law and the fight against impunity in Mali; (c) an outcome evaluation of the support provided by the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO) to the rule-of-law and security institutions in the Democratic Republic of the Congo; (d) an evaluation on women, peace and security in field-based missions, specifically elections and political transitions; and (e) the triennial review of the 2019 evaluation of the contribution of the UNMISS Civil Affairs Division to the reduction in local conflict in South Sudan.

18. The Committee was informed that all six planned assignments were expected to be delivered within the 2022/23 period.

19. The Committee acknowledges the efforts made by the Inspection and Evaluation Division to complete its workplan. The Committee also believes that the timely completion of assignments will improve accountability for delivering results for the entities concerned.

20. As part of the standard item on its agenda, the Committee also received updates on the vacancy levels of OIOS. Concerning the Inspection and Evaluation Division, the Committee noted that the peacekeeping section of the Division had recorded a vacancy rate of 15.4 per cent in December 2022—significantly lower than the 27.2 per cent rate as at 31 December 2021.

21. Given its small size, vacancies within the Inspection and Evaluation Division have a significant impact on its ability to implement its workplan. The Committee therefore commends the Division for the effort to reduce vacancies from a high of 30 per cent reported in 2020. The Committee calls upon the Division to closely monitor its vacancy rate and quickly take action to fill the remaining vacancies.

Capacity gap analysis and the budget proposal

22. Unlike the previous workplans, where it was noted that the workplan of the Inspection and Evaluation Division was risk-based, for 2023, OIOS indicated that the workplan had been calculated by focusing on substantive mission results-based budgeting components and cross-cutting themes. In that respect, OIOS noted that the Inspection and Evaluation Division had identified 46 evaluable units: 26 results-based budgeting components across 12 missions and 20 cross-cutting themes.

23. While acknowledging that result-based budgeting process is a reasonable basis for workplanning, the Committee believes that it should not be the sole basis. The Committee, therefore, recommends that the Inspection and Evaluation Division incorporate risk-based assumptions in arriving at its workplan, as has been the case in previous budget proposals. The Committee also reiterates that OIOS should continue to make an effort to align its work with the priorities of the Organizational enterprise risk management.

24. The Committee was informed that coverage of the universe of 46 topics over an eight-year cycle required approximately six evaluations per year. Assuming an average evaluation duration of 12 months with two evaluators assigned per evaluation, this would result in an annual requirement of 11.5 staff. The Committee was provided a list of six assignments to be delivered in the 2023/24 fiscal year.

25. Under the above assumptions, OIOS indicated that, since the current staffing for the Inspection and Evaluation Division Support Account budget was at nine staff, it anticipated a capacity gap of 2.5 posts. OIOS further indicated that this assumed a 100 per cent post incumbency (that is, all nine peacekeeping evaluator posts filled). According to the Inspection and Evaluation Division, eight posts were currently encumbered, and one post was under recruitment.

26. The Committee followed up with OIOS as to what the Inspection and Evaluation Division planned to do with the identified capacity gap. In response, OIOS informed the Committee that it had not requested additional resources for the Inspection and Evaluation Division owing to the Organization's scalability requirement that requires support account budgets to be scaled down proportionately with the reduction in the number and budget of peacekeeping missions. The Inspection and Evaluation Division anticipates that, from 2023/24 onwards, with a possible change in MINUSMA from a peacekeeping to a special political mission, a further scaling-down

of the support account budget could be required. The Inspection and Evaluation Division planned to address the current gap through the strategic selection of evaluation topics and the use of remote data collection. In addition to scaling down its workload, OIOS indicated that the Division would await the results of the independent external quality assessment of the inspection and evaluation function, to be conducted during the 2023/24 period, before again reviewing its response to the capacity gap, including the possibility of requesting additional resources.

27. The Committee notes the decision by OIOS to address the Inspection and Evaluation Division's capacity gap through the strategic selection of assignments and by scaling down its workplan – pending the results of the external assessments. In the light of the above, the Committee endorses the resource requirements as shown in the table above.

C. Investigations Division

28. In reviewing the support account budget for the Investigations Division, the Committee continued to be mindful of the Secretary-General's reform initiative, which, inter alia calls for increased accountability. The Committee also focussed on the vacancy rates and the time the Investigations Division was taking to complete the various investigations. The Committee was also cognizant of the OIOS position that the workforce plan/capacity analysis, and resource analysis for the Investigations Division, were based on the whole investigation portfolio rather than the funding source.

Workplan implementation

29. The Committee was informed that implementation of the Investigations Division workplan continued to be considered in the context of trends in caseload, aging and completion time. The Investigations Division noted that the overall intake continued to rise, from 1,313 in 2021 to 1,368 as at 31 December 2022. Furthermore, OIOS noted that the open caseload (after declining since 2019) had risen significantly to 426 in 2022. This aligned with a decline in the closure of cases, from 362 in 2021 to 190 in 2022.

30. The average completion time fell from around 12.9 months reported in 2021 to 10.6 months in 2022. **Although some of the factors that affected the average completion rate, such as vacancy rates, persist, the Committee notes that the current trend represents a significant improvement from last year – all the more since the caseload has increased. The above progress notwithstanding, the Committee believes that more still needs to be done.**

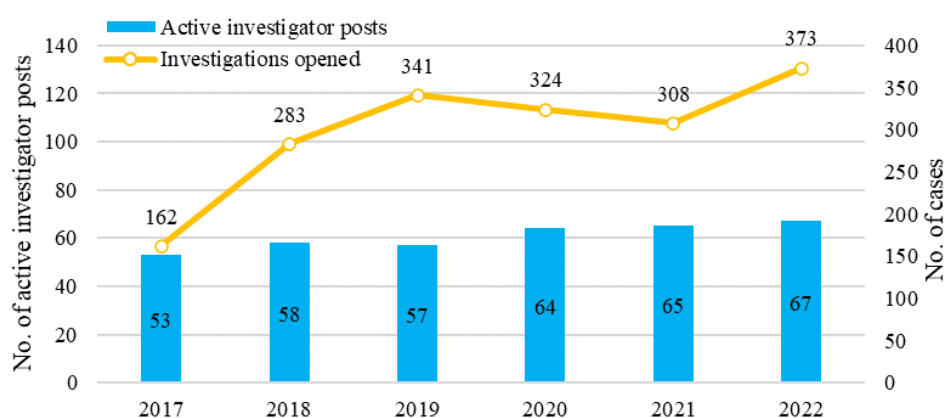
31. Regarding the vacancy situation, the Committee was informed that the Investigations Division peacekeeping vacancy had remained steady at 24.6 per cent as at 31 December 2022. On the other hand, the overall vacancy rate of the Investigations Division had remained high, at 28.7 per cent.

32. Given the high turnover in the Investigations Division, which has kept the vacancy rates stubbornly high, the Committee continues to believe that actively managing the vacancies in the Division should continue to be a high priority and ongoing process. The Committee also recommends that OIOS employ alternative recruitment mechanisms to address this issue. The Committee will continue to monitor the vacancy rate in subsequent sessions.

Capacity gap analysis and the budget proposal

33. Regarding the capacity gap for the 2023/24 period, OIOS informed the Committee that the capacity gap of the Investigations Division was predicated on the fact that the growth in open investigations had far outpaced growth in resources. In 2022, the number of investigations opened had increased by 21 per cent (65 investigations) from the 2021 levels, while the number of posts had increased by just 3 per cent (2 staff). To provide further context, the Committee was presented with a six-year trend analysis showing that, from 2017, the number of opened cases had increased by 130 per cent, from 162 to 373, while staffing had increased by 26 per cent, from 53 to 67 (see figure below).

Figure II
Trend in caseload and Investigations Division staffing



34. The Committee was informed that, with a target of each investigator completing six investigations and having five open investigations each year, the Investigations Division would have a capacity gap, with or without vacant posts. Assuming a vacancy of 10 per cent, that gap is projected to be 8 posts.

35. The Committee was further informed that, in order to address the capacity gap, the following observations had been made: (a) the gap exists only in the Africa region; (b) 73 per cent of all investigations were resourced from the support account budget; and (c) 76 per cent of the caseload related to the support account. In order to address the gap, OIOS informed the Committee that the Investigations Division would therefore focus on: (a) implementing the external assessment action plan; (b) improving the quality assurance process, including by addressing the investigation backlog; (c) continuing active recruitment; and (d) implementing a new case management system for improved efficiencies and enhanced performance monitoring and reporting.

36. **Having reviewed the workplan of the Investigations Division, and following subsequent clarifications from OIOS that OIOS intends to finalize the external assessment reviews before making a request for additional resources, the Committee endorses the resource levels as presented by OIOS.**

IV. Conclusion

37. The members of the Independent Audit Advisory Committee submit the present report containing their comments and recommendations for consideration by the Advisory Committee on Administrative and Budgetary Questions and the General Assembly.

(Signed) Imran **Vanker**
Chair, Independent Audit Advisory Committee

(Signed) Janet **St. Laurent**
Vice-Chair, Independent Audit Advisory Committee

(Signed) Dorothy **Bradley**
Member, Independent Audit Advisory Committee

(Signed) Anton **Kosyanenko**
Member, Independent Audit Advisory Committee

(Signed) Suresh Raj **Sharma**
Member, Independent Audit Advisory Committee

Annex I**Preliminary list of proposed peacekeeping audits by the Internal Audit Division for the fiscal year 2023/24*****Middle East Regional Audit Office**

1. Audit of strategic planning and organizational performance in the United Nations Peacekeeping Force in Cyprus
2. Audit of the procurement of air assets in the United Nations Interim Force in Lebanon (UNIFIL)
3. Audit of medical services in UNIFIL
4. Audit of strategic planning and organizational performance in the United Nations Disengagement Observer Force
5. Audit of contract management in UNIFIL
6. Audit of the public information function in UNIFIL
7. Audit of rations management in UNIFIL
8. Audit of records management in UNIFIL
9. Audit of supply chain performance management in UNIFIL

United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic

1. Audit of fuel management and usage
2. Audit of the implementation of delegation of authority framework
3. Audit of movement control activities
4. Audit of the recruitment and use of independent contractors
5. Audit of aviation safety
6. Audit of warehouse operations
7. Audit of waste management and environment protection

United Nations Multidimensional Integrated Stabilization Mission in Mali

1. Audit of joint operation centre activities
2. Audit of the implementation of the delegation of authority framework
3. Audit of safety and security
4. Audit of electoral support preparedness
5. Audit of mine support activities
6. Audit of the enterprise risk management process
7. Audit of the hiring and use of individual contractors and consultants

* Indicative and subject to change as a result of various factors.

United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

1. Audit of fuel management
2. Audit of the public information and communication strategy
3. Audit of integrated transition planning and implementation
4. Audit of the implementation of delegation of authority framework
5. Audit of local procurement
6. Audit of contracts management
7. Audit of the occupational safety and health programme
8. Audit of safety and security

Resident Audit Office (Entebbe, Uganda)

1. Audit of the Joint Border Verification and Monitoring Mechanism in the United Nations Interim Security Force for Abyei (UNISFA)
2. Audit of onboarding and separation activities at the Regional Service Centre in Entebbe
3. Audit of time and attendance management in UNISFA
4. Audit of air operations and aviation safety in UNISFA
5. Audit of warehouse operations in UNISFA

United Nations Mission in South Sudan

1. Audit of military patrolling activities
2. Audit of the recruitment of international staff
3. Audit of the reconciliation, stabilization and resilience trust fund in UNMISS
4. Audit of capacity-building and support to South Sudan National Police
5. Audit of emergency response preparedness
6. Audit of the implementation of the Comprehensive Planning and Performance Assessment System
7. Audit of aviation safety
8. Audit of the delegation of authority
9. Audit of local procurement
10. Audit of the electoral support programme

United Nations Support Office in Somalia

1. Audit of safety and security in the United Nations Assistance Mission in Somalia (UNSOM) and the United Nations Support Office in Somalia (UNSOS)
2. Audit of occupational health and safety in UNSOM and UNSOS
3. Audit of national staff management in UNSOM and UNSOS
4. Audit of the implementation of the delegation of authority framework in UNSOM and UNSOS

5. Audit of aviation safety in UNSOS
6. Audit of fuel management in UNSOS

Information and communications technology

1. Audit of email security in the Secretariat
2. Audit of identity management systems in the Secretariat
3. Audit of the Field Support Suite
4. Audit of the “smart camp” and Unite field remote infrastructure monitoring programme at UNISFA
5. Audit of SharePoint security

Headquarters Peacekeeping Audit Section

1. Audit of the Comprehensive Planning and Performance Assessment System
2. Audit of the United Nations Regional Office for Central Africa
3. Audit of the United Nations Integrated Office in Haiti
4. Audit of the United Nations Integrated Transition Assistance Mission in the Sudan
5. Audit of the United Nations Office to the African Union

Headquarters audit sections

1. Audit of the procurement of air assets in the Secretariat
2. Audit of the management of strategic deployment stocks

Annex II

Summary of Inspection and Evaluation Division assignments for 2023/24

Six evaluations are expected to be completed in 2022/23:

1. Evaluation of the United Nations Mission for the Referendum in Western Sahara (results-based budgeting component to be determined)
 2. Evaluation of the United Nations Interim Force in Lebanon (results-based budgeting component to be determined)
 3. Evaluation of the United Nations Interim Security Force for Abyei (results-based budgeting component to be determined)
 4. Thematic evaluation of children and armed conflict in peacekeeping operations
 5. Thematic evaluation of strategic communications in peacekeeping operations
 6. Triennial review of the 2019 evaluation of human rights monitoring and reporting in peace operations
-