



The Chairman
Le Président

bodies should be informed of all third-party verifications, to avert any misunderstanding of what a working single audit entails.

Recommendations

The findings and recommendations contained in the reserpt report were discussed at the forty-first Meeting of RIAS, in September 2010 and positively received by the oversight community. The Inspectors appreciate the contributions of the United Nations Office of Internal Oversight Services (OIOS), the United Nations Board of Auditors (BoA) and other members of the Panel of External Auditors (PEA).

We are also satisfied with to see the positive and supportive comments of the Secretary-General and the United Nations Chief Executive Board for Coordination in their comments (A/66/73/Add.1) which “welcome this report of the JIU and expressed appreciation for the useful analysis it contains” while indicating that “Agencies found the report contained a thorough analysis of UN system organization’s audit functions” and “generally concur with its many valuable recommendations, which they note strengthen this important oversight area”.

The report contains 18 major recommendations. Eleven of them are addressed for action to Member States since they concern policy decisions intrinsically related to the audit function mandate, independence, accountability and transparency. For easy reference, these recommendations are listed in an annex attached to this statement which, I hope has been circulated to you. We trust that the debate will enrich decision-making and your timely decision will make action possible on these important governance issues to enhance the efficiency and effectiveness of the audit function in the United Nations system organizations as an important pillar of the oversight mechanism.

Thank you very much.

New York, 5 October 2011

Annex- Recommendations for consideration by legislative/governing organs

Recommendation 3: The legislative/governing bodies should direct the executive heads of the United Nations system organizations concerned to facilitate the submission of the internal audit planning and audit results to the audit/oversight committees, where appropriate, for the latter's review.

Recommendation 7: To enhance efficiency, the legislative/governing bodies at the organizations concerned should direct executive heads to review audit staffing and the budget prepared by the internal audit/oversight head, taking into consideration the views of the audit/oversight committees, where appropriate, and should suggest to the executive heads an appropriate course of action, to ensure that the audit function is adequately resourced to implement the audit plan.

Recommendation 8: To enhance accountability and transparency, the legislative/governing bodies concerned should require the internal audit/oversight head to submit to them, annually in writing, his or her report on the results of the audit activity and to publish such annual reports on the organizations' websites. The annual reports should refer to the implementation of the audit plan, major risks, the audit ranking of the audited entities, governance and control issues, key findings, recommendations and implementation of prior outstanding recommendations, as well as to any independence, resources or other issues that impact negatively on the effectiveness of the audit activity.

Recommendation 10: To ensure transparency and accountability, the legislative/governing bodies at the United Nations system organizations concerned should ensure that internal audit is subject to independent external quality assessment or self-assessment with external independent validation in line with Institute of Internal Auditors (IIA) standards every five years and should ascertain that corrective action is taken to bring the internal audit activity into general conformity with IIA standards.

Recommendation 11: The legislative bodies should request the independent audit/oversight committees at United Nations system organizations to review the performance and mandate/audit engagemli,0

Recommendation 12: The legislative bodies of the United Nations system organizations should, after consulting the independent audit/oversight committee, select an external auditor among competitive and interested supreme audit institutions (SAIs) for a term of four to six years, not immediately renewable. Candidacies should be screened by a subsidiary committee of the legislative/governing body against established criteria/requirements, including rotation and geographical representation.

Recommendation 13: To enhance accountability and transparency, the legislative/governing bodies should require that the financial statements