

Agenda Item 135

**Activities of the Independent Audit Advisory Committee for the period
1 August 2017 to 31 July 2018**

Report of the Independent Audit Advisory Committee (A/73/304)

Statement by

a downward trend with respect to the acceptance and implementation of recommendations of the Joint Inspection Unit (JIU). During this period, the Committee urged management to continue to improve, especially when it comes to timeliness of implementation.

Furthermore, the Committee looked at the implementation rate of investigation recommendations and is concerned that the percentage of implementation was only at 68 per cent for the first quarter of 2018. Given the significant impact of investigations on accountability versus impunity, the Committee recommends that management ensure that the recommendations of the Investigation Division (ID) are implemented fully in a timely manner.

Madam Chair, distinguished delegates,

Turning to the second aspect of the mandate of the Committee, **risk management and internal control framework**, the Committee believes that for enterprise risk management (ERM) to be an important management tool, it should not only be Headquartered-centric, but also properly expanded to all offices. The Committee also agrees with the sentiments of managers that the Organization needs a mature culture of prudent risk appetite.

model as part of the integrated assurance process and would follow-up on this issue as a matter of priority.

Madam Chair, distinguished delegates,

As part of his management reform efforts, the Secretary-General noted that the United Nations must move to a culture that was focused more on results than on processes, better managed administrative and mandate delivery risks, valued innovation, and demonstrated a higher tolerance for honest mistakes and a greater readiness to take prompt corrective action. He noted that the Secretariat had conducted several assessments to better understand the current culture.

During the meeting of the United Nations system oversight committees, participants emphasized that audit committees could play an important role by ensuring that the institutional tone and culture feature in their discussions on oversight matters. Therefore, the Committee recommends that the Organization take advantage of the reform to undertake a holistic review of the culture of the Organization. The Committee believes that the Organization should systematically identify the positive culture that should define the Organization, and implement it both in word and action. The Committee also calls upon OIOS to come up with a clear methodology, taking into account best practices, for periodically assessing the culture of the Organization.

Madam Chair, distinguished delegates,

Allow me now to turn to the third aspect of the mandate of the Committee: **effectiveness, efficiency and impact of the audit activities and other functions of the Office of Internal Oversight Services**

The Committee focused on two broad areas: Strategic planning, OIOS effectiveness and performance measurement; and strengthening the investigation function. I will touch on a few key findings in each area.

Strategic planning, OIOS effectiveness and performance measurement

The Committee believes that for OIOS to establish itself as a trusted advisor, it needs to understand and appreciate the concerns of its clients. In discussions with managers, they were of the view that they wanted to see more performance audits. However, OIOS believes that most of its assignments are already performance audits. There seems to be a divergence of expectations between some managers and OIOS on what constitutes a performance audit. The Committee believes that arriving at a mutual understanding on performance audits and striking a balance between compliance and performance audits would be consistent with the important types of audit services.

Furthermore, the Committee recommends that to shift the focus of its work, OIOS should clearly identify the steps it plans to take to improve its capability to conduct performance

audits. Such steps should include identifying its plans for future performance audits, the applicable audit standards and what training its staff would need to improve their capability to

With regards to **enterprise resource planning (Umoja)**, the Committee welcomes the progress made in implementing Umoja, including the commitment to capture the

and time that has been invested in developing and implementing Umoja, the Committee believes that capturing the full cycle would lead to the maximum exploitation of the potential that Umoja offers.

Furthermore, the Committee believes that, like any other enterprise resource planning system,