



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA  
BY MS. LOURDES PEREIRA SOTOMAYOR, FIRST SECRETARY, PERMANENT MISSION  
OF ECUADOR TO THE UNITED NATIONS, ON AGENDA ITEM 145: REPORT ON THE  
ACTIVITIES OF THE OFFICE OF INTERNAL OVERSIGHT SERVICES AND AGENDA  
ITEM 134: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL  
FUNCTIONING OF THE UNITED NATIONS, AT THE FIFTH COMMITTEE DURING THE  
MAIN PART OF THE SEVENTY-SECOND SESSION OF THE UN GENERAL ASSEMBLY  
(NEW YORK, 5 OCTOBER 2017)**

Mr. Chair,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda items 145 and 134 entitled “Report on the activities of the Office of Internal Oversight Services” and “Review of the efficiency of the administrative and financial functioning of the United Nations” respectively.
2. The Group of 77 and China would like to thank Ms. Heidi Mendoza, Under-Secretary-General, Office of Internal Oversight Services (OIOS), for introducing the report of the activities of the Office for the period 1<sup>st</sup> July 2016 to 30<sup>th</sup> June 2017 contained in document A/72/330 (part 1) and addendum 1. Also, the Group thanks Ms. Maria Gracia M. Pulido Tan, Chair of the Independent Audit Advisory Committee (IAAC), for introducing the report on the activities of the Advisory Committee contained in document A/72/295.

Mr. Chair,

3. The Group would like to acknowledge the important and strategic role of the Office of Internal Oversight Services as stipulated in its mandate of enhancing oversight in the United Nations as contained in the General Assembly resolution 48/218. We take note of the work done by the office so far since its establishment in 1994 through the General Assembly resolution 48/218B of 29 July 1994. The Group encourages the OIOS staff led by the Under-Secretary General Ms. Heidi Mendoza who has provided leadership and guidance since when she took over on 14<sup>th</sup> December 2015 to continue executing its mandate effectively in line with various General Assembly decisions and Secretary-General’s administrative instructions.

Mr. Chair,

4. The Group of 77 and China, notes that the report on the activities of the Office indicate that during the reporting period a total of 374 oversight reports were issued which contained 1,183 recommendations aimed at improving the organisations’ internal controls, accountability mechanism and organizational efficiency and effectiveness. Regarding financial prudence the office issued recommendation whose financial implications was approximately \$16 million and which addressed issues concerning cost savings, overpayment recovery, efficiency gains as well as other improvements.
5. The Group believes that the professional initiatives already undertaken by the office regarding ways to strengthen its functions and promotion of cooperation and coordination with other oversight bodies is in the right direction. These initiatives are important in ensuring the highest possible standards of professionalism and efficiency as well as ensuring that any existing gaps, duplication and overlap in oversight work is reduced if not eliminated.

6. The Group urges the office to continue collaborating and liaising with professional bodies especially in auditing and evaluation and the same time comply with international standards for professional practice. The value addition in the preparation and use of manuals and guidelines on all aspects of its work, establishment and operationalization of consultative fora as well as the strengthening of the capacity of the Office through trainings and recruitment cannot be over emphasized.

7. The Group remains concerned that the investigations division of the office continue to experience high vacancy rate which stood at 21.2% as at 31<sup>st</sup> May, 2017. The Group believes that the recommendation by the Independent Audit Advisory Committee that consideration for alternative innovative recruitment strategies be made a priority of the Office. The Group of 77 and China cannot be guaranteed that the office will fulfil effectively its investigative function with the existing capacity gaps.

Mr. Chair,

8. The Group has noted the commitment given by the office on assessment of enterprise risk management as an integral and important management. We urge the top management of the organization to continue to actively lead the enterprise risk management efforts and ensure that the management of the risks apparent in the organization become a standard way of doing business. In this regard, it is our belief that the timelines set out in the risk action plans approved in June 2015 will be reassessed.

9. The Group attaches a lot of value on the assessment of the evaluation capacity across the entire organization which the Office has undertaken. Although the report indicates that there are mixed results, of important is the fact that there seems to exist some improvements in the strengthening of evaluation functions and that the number of entities with evaluation policies and plans has increased. While there are some apparent weaknesses, this is seen as a positive way forward. There is need to get the right picture of the evaluation function in the UN system. In this regard, the challenges experienced by OIOS in the process of preparing the respective report which included double reporting, inconsistent methodology for assessing budget allocations towards outputs, inaccuracies in data reporting among others need to be addressed. The Group is convinced that the Office will prioritise its attention towards effectively addressing these challenges.

Mr. Chair,

10. The current assessment of the evaluation function indicate that some entities still lack an effective evaluation function since they either operate without a policy or they lack requisite expertise and allocation of resources. As a result, limited evaluation activities have been undertaken by such entities. In this regard, the Group calls for sufficient resource allocation and establishment of evaluation policy in all entities within the organization.

11. The Group of 77 and China recognizes the commitment of the Secretary-General in building a robust evaluation function based on appropriate policies, methodologies, plans, resources and best practices. We trust that this will be done through building the necessary capacity and being sensitive to the need to continuously ensure operational independence of the OIOS.

12. The Group is of the view that the provision of sustainable resources which are sufficient for the mandated evaluation function of the OIOS, Secretariat departments and other entities is important. We thank those stakeholders who have supplemented the regular resources by voluntarily contributing towards evaluation activities and urge those who share not to do so.

Mr. Chair,

13. The Group has also studied the report on the activities of the Independent Audit Advisory Committee for the period 1<sup>st</sup> August 2016 to 31<sup>st</sup> July 2017. As per the committee's terms of reference, it is noted that the committee has continued to fulfil its oversight responsibilities by consulting, assessing and making significant recommendations. The committee has issued useful recommendations to the General Assembly on compliance with audit requirements, enterprise risk management and control framework, mobilization and management of funds, strengthening of evaluation, auditing and investigation functions as well as financial reporting. Further, the committee regularly coordinated with other oversight bodies including OIOS, Board of Auditors and Joint Inspection Unit so as to share perspectives. The Group recognizes the importance of this coordination and understands that opportunities exist for further coordination and collaboration.

14. The Joint Inspection Unit has also submitted two important reports on "donor-led assessments of the United Nations system organisations" and "the state of the internal audit function in the United Nations". The voluntary contributions from either Member States or other organisations as well as pooled funding mechanisms have become very central in facilitating United Nations organisation meet its mandate. The Group believes that there will be a mechanism that enables better access to information concerning assessments of contributions made by donors. The Group supports the recommendation by Joint Inspection Unit that a high-level dialogue be undertaken or considered between the United Nations and the donors to determine the shared priorities and define a multi-stakeholder assessment framework.

I thank you, Mr. Chair.