



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY  
AMBASSADOR CONROD HUNTE, DEPUTY PERMANENT REPRESENTATIVE  
OF ANTIGUA AND BARBUDA TO THE UNITED NATIONS, ON AGENDA ITEM  
117, IN PARTICULAR ON THE "ACTIVITIES OF THE INDEPENDENT AUDIT  
ADVISORY COMMITTEE FROM 1 JANUARY TO 31 JULY 2008", AND  
AGENDA ITEM 128: "REPORT ON THE ACTIVITIES OF THE OFFICE OF  
INTERNAL OVERSIGHT SERVICES", AT THE FIFTH COMMITTEE DURING  
THE MAIN PART OF THE SIXTY-THIRD SESSION OF THE GENERAL  
ASSEMBLY (New York, 9 October 2008)**

Mr Chairman,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 117, in particular on the "Activities of the Independent Audit Advisory Committee for the period from 1 January to 31 July 2008", as well as on agenda item 128, entitled "Report on the activities of the Office of Internal Oversight Services".

2. The Group would like to thank the Chairman of the Independent Audit Advisory Committee (IAAC), Mr David Walker, for introducing the IAAC's inaugural annual report; the Under-Secretary-General for Internal Oversight Services, Ms Inga-Britt Ahlenius, for introducing the OIOS' reports on its non-peacekeeping activities as well as on the Procurement Task Force (PTF); as well as Ms Nancy Hurtz-Soyka of the Department of Management on the Secretary-General's responses to the respective OIOS reports.

Mr Chairman,

3. The Group would like to express its appreciation for the overall quality of the annual report of the IAAC, taken in context of the terms of reference establishing the IAAC in resolution 61/275. The Group supports the importance that the IAAC attaches to greater cooperation among the various oversight bodies of the Organisation in their respective work, particularly on the sharing of assignment-related information and work plans.

4. The Group also shares the view of the IAAC that the Secretary-General's proposal to establish a new Division for Accountability should be revisited, inter alia with respect to its responsibilities for risk management. As previously stated, it is the Group's position that such a proposal should also ensure that managers retain their primary responsibilities for the work done in their respective departments and programmes. On the IAAC's recommendation to establish a Chief Risk Officer function, the Group is again of the view that this should not detract from the aforementioned primary responsibilities. The Group stands ready to pursue this discussion under the relevant forum.

5. Regarding the two observations of the IAAC on the Board of Auditors report, the Group would like to reaffirm its willingness to work with its partners to resolve the issue of end-of-service liabilities in a meaningful manner, not only on their proper accounting treatment but also on their funding. The Group is also concerned about the lack of proper accounting for non-expendable property. We share the view of the IAAC that this represents a serious breakdown in the basic internal controls of the Secretariat. We are also very concerned that this situation had not been highlighted earlier by the Secretariat or its internal audit unit.

Mr Chairman,

6. Turning to the annual activities of the OIOS, the Group would first like to reiterate its support for the operational independence of the OIOS in the context of resolution 48/218B, and its role in assisting the Secretary-General in fulfilling his internal oversight responsibilities.

7. The Group notes that the OIOS had issued 1,755 recommendations to UN entities during the period 1 July 2007 to 30 June 2008. We are concerned that there were 30 recommendations that had received no response during the period under report, representing an almost 100% increase compared with the previous period. We are similarly concerned that the number of recommendations not started had almost tripled from 40 to 117. The Group, also notes with concern that certain entities have consistently failed to provide information about the implementation of the OIOS recommendations. In this regard, the Group would like to emphasise the importance of implementation of the recommendations and full cooperation of all departments with the OIOS. We look forward to further discussion on this matter.

8. The Group notes that the Inspection and Evaluation Division identified 12 proxy indicators for its risk assessment methodology, which the IAAC had assessed to be a reasonable basis for establishing the 2008 audit, inspection and evaluation work plans. The Group views such cooperation to be vital in strengthening the overall oversight capability of the Secretariat.

9. In general, the Group notes the various internal reform initiatives of the Office to improve its respective divisions as well as to strengthen its executive office. We would like to stress that the reports on the external reviews of the various departments of the OIOS should be shared with the General Assembly. We would like to reiterate the importance of achieving the goals of equitable geographic distribution and hiring suitably qualified personnel in the Office.

10. More specifically, the Group notes and appreciates the work undertaken by the Internal Audit Division on improving its processes and procedures in order to align itself with best practices and relevant international standards. At the same time, bearing in mind the comments of the IAAC on inventory controls, the Group would like to express concern that this had not been previously detected by the Internal Audit Division. We look forward to receiving further information on this issue.

11. With regards to the section on the Investigations Division, the Group had previously stated its views in context of the Secretary-General's report A/62/582 on Strengthening Investigations. Given that we have yet to receive a response to the General Assembly's request for more information in its resolution 62/247, the Group is of the view that it would be premature to discuss this issue further. We do note however that work on a comprehensive investigation manual is well advanced and look forward to seeing the full draft.

12. Finally, Mr Chairman, the Group notes the comments of the OIOS on the audit of the Capital Master Plan as well as the UN Compensation Commission. We look forward to discussing its final report on the comprehensive review to the General Assembly (A/63/266) in the context of the Capital Master Plan. We also take note that the Compensation Commission has implemented all audit recommendations issued by the OIOS.

I thank you, Mr Chairman.