



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MS. KAREN LOCK  
PERMANENT MISSION OF SOUTH AFRICA TO THE UNITED NATIONS, ON THE ANNUAL  
REPORT OF THE OFFICE OF INTERNAL OVERSIGHT SERVICES (A/60/264) UNDER AGENDA  
ITEM 132: REPORT OF THE SECRETARY-GENERAL ON THE ACTIVITIES OF THE OFFICE OF  
INTERNAL OVERSIGHT SERVICES, IN THE FIFTH COMMITTEE OF THE GENERAL ASSEMBLY  
(New York, 11 October 2006)**

Mr. Chairman,

I have the honour to speak on behalf of the Group of 77 and China on agenda item 132.

2. The Group of 77 and China wishes to thank the Under-Secretary-General for the Office of Internal Oversight Services (OIOS), Ms. Inga-Britt Ahlenius, for introducing the two reports that are before us today (A/61/264 (Part I) and A/61/264 (Part I) Add.1). The Group welcomes the efforts by the USG and the OIOS in promoting transparency and accountability within the United Nations through its role as the watchdog of the Organisation. The actions taken by the OIOS support the role of the General Assembly as the principal oversight organ of the Organization in accordance with resolution 54/244.

3. We also wish to thank the Controller, Mr. Sachs, and the representative of ESCWA Mr. Abdel-Aziz for introducing the reports of the Secretary-General, as well as the response of the ESCWA to the findings of the OIOS.

4. The Group wishes to make the following observations with respect to the Annual report of the OIOS on its activities for the period 1 July 2005 to 30 June 2006 (A/246 (Part I)). The Group of 77 and China is of the view that it is imperative that the OIOS be allowed to carry out its functions and role without any impediment. The Group consequently notes with concern the instances of hindrances to the progress of work of the OIOS as highlighted in paragraphs 4 to 10 of the report. The OIOS needs unhampered and timely access to information to fulfill its mandate and we are concerned by reported attempts to deny OIOS access to records and personnel. The Group would be looking further into the matter and would explore, in the context of the informal consultations, effective measures to prevent such instances from occurring again.

5. The Group of 77 and China welcomes the actions taken by the OIOS to engage both the Joint Inspection Unit and the Board of Auditors on a continuous and ad-hoc basis. The Group is heartened at the efforts of the OIOS, the BOA and the JIU to meet annually in the form of the tripartite oversight co-ordination meeting. As stated earlier, the Group welcomes the positive outcome of these interactions and the laudable efforts of all three entities in sharing their work plans on a regular basis to avoid duplication and ensure that synergies are maximised. This is necessary in order to maximize the use of resources and share experiences, knowledge, best practices and lessons learned. It has also ensured that the OIOS, BOA and JIU would remain relevant and an integral part of the UN's oversight system.

6. The Group also shares the view of the OIOS that the United Nations should adopt and adhere to a formal internal control framework which would help foster an environment conducive to fulfilling successfully the Organisation's objectives and strengthen accountability and transparency. In this regard, the Group welcomes the OIOS' internal initiatives to help the United Nations improve controls and manage risks, as well as to improve the professional practices of the OIOS itself. Such initiatives include the launching of a systematic risk assessment methodology in Jun 2006 and a new system for monitoring the implementation of OIOS recommendations known as Issue Track.

7. We remain convinced of the need for the full and effective implementation of oversight recommendations. In this regard, we are pleased to note that the 1919 recommendations by the OIOS to improve internal controls, accountability mechanisms and organisational efficiency and effectiveness have led to the identification of US\$49.2 million in costs savings of which a total of US\$14.2 million was actually saved and recovered. We also took due note of the comments made by the Controller this morning on this matter. The Group, however, is concerned by the instances where recommendations have not been implemented by programme managers, as detailed in A/61/264 (Part I) Add.1. The Group would like to examine the reasons behind this lack of implementation especially on critical recommendations and to consider necessary and effective measures to correct this anomaly.

Mr. Chairman,

8. The Group welcomes the OIOS' continued attention and the investigations conducted by OIOS on sexual exploitation and abuse. The Group reiterates that the recommendations of the OIOS on this issue should be based

on General Assembly resolution 59/300. The Group also awaits further reports by the OIOS on the existing and emerging cases of sexual exploitation and abuse.

9. The Group wishes to draw the attention of the Committee to the current investigations conducted by the OIOS relating to procurement. We note from the report that the OIOS had established an ad-hoc procurement task force under specific terms of reference that were approved by the USG for OIOS in January 2006. The Procurement Task Force (PTF) operates under the OIOS mandate and reports directly to the USG for OIOS. We also note that four investigative reports have been completed and shared by the OIOS with programme managers. Given the importance of the issue and as the principal oversight organ of the Organization, the Group would like the OIOS to provide more information on the reports and for copies of the final reports to be made available to the General Assembly expeditiously. We would also like to have details on the funding arrangements of the PTF, as well as the amount of resources that have been expended to date in carrying out the procurement related investigations.

10. The Group notes with interest paragraphs 63 and 66 of the report. In paragraph 63, the Group notes that the OIOS had started the planning of a comprehensive audit of the Department of Management, in particular to examine how responsibility is assigned within the Department and how accountability for actions are realised. We would appreciate receiving more details of this audit, as it also ties in well with the current focus on governance and oversight issues in the United Nations. The Group would also appreciate receiving further elaboration on the comprehensive and objective review of the delegation of authority from the Department of Management to the Department of Peacekeeping Operations as outlined in paragraph 66. The Group would be pursuing these matters during the informal consultations.

11. Lastly, on the Annual Report, the Group wishes to stress that while there is a need for the OIOS to be concerned with audit and investigations, these functions should not be done at the expense of the critical areas of evaluation and monitoring. We also wish to stress that it would be beneficial for this Committee to consider matters relating to the strengthening of the OIOS later in the session when we consider the oversight review issues. This will ensure that we do not detract attention from the other important issues that have been raised in the Annual Report.

Mr. Chairman,

12. Turning to the OIOS report on the review of ESCWA (A/61/61), in which it was recognized that ESCWA is consistently striving to attain its vision of becoming an action-oriented “regional centre of excellence” dedicated to developing the highest quality professional work through an efficient and effective work environment. We also welcome the finding that the Commission has strengthened its multidisciplinary expertise and experience and solidified its potential for effectively advocating, communicating, coordinating and implementing activities at the regional level. In addition, the Group is encouraged by the finding that United Nations tools for results-based management were consistently promoted at ESCWA and that it was currently one of the most advanced Secretariat entities in applying results-based management.

13. The Group welcomes the OIOS findings and agrees that the major strength of ESCWA lies in its multidisciplinary experience, close knowledge of the specificities of the region and its development issues. We also agree that its role is further strengthened by the fact that all economic and social sectors are represented in its critical mass of expertise and that ESCWA is able to provide the regional sensitivity and understanding needed to effectively communicate, coordinate and implement activities at the regional level.

14. However, the Group notes that ESCWA did not accept six of the findings of the OIOS for various reasons. In this regard, and while stressing the importance of the implementation of recommendations of the OIOS in general, the Group wishes to stress that every effort should be made to ensure that recommendations are applicable and based on a careful analysis of the situation. The Group trusts that the OIOS and ESCWA will resolve any possible differences of opinion. We appreciate the affirmation that the ESCWA has prepared a work plan in response to the remaining recommendations of the OIOS.

I thank you, Mr. Chairman.