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Held at Headquarters, New York, on Tuesday, 4 October 2022, at 3 p.m.

Chair: Mr. Kridelka (Belgium)
*Vice-Chair of the Advisory Committee on Administrative
and Budgetary Questions:* Mr. Bachar Bong

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The meeting was called to order at 3.10 p.m.

Statement by the President of the seventy-seventh session of the General Assembly

1. **Mr. Kőrösi** (President of the General Assembly) said that, in an analogy in which the Main Committees of the General Assembly represented the organs and other parts of the human body, the Fifth Committee was one of the vital organs, representing the heart or lungs. An organization's budget was more than a series of numbers on a page; it embodied the organization's values. The Fifth Committee ensured that the United Nations had the resources necessary to confront the multiple and interlocking challenges faced by the international community, such as the climate crisis, political instability and seemingly intractable global conflicts. The Committee also played the key role of upholding the reputation and credibility of the Organization by ensuring that its finances were managed accountably, transparently, effectively and efficiently.

2. The Committee must not allow the current atmosphere of extreme politicization and deep division to hinder its work. Rather, it must seek consensus and overcome differences, building on areas of agreement in order to increase solidarity and trust and identify sustainable solutions for the benefit of the people the Organization served. In assessing the Secretary-General's reforms of the budget cycle at the end of the three-year trial of annual budgeting, the Committee must try to transcend politics, never losing sight of its objective to make the United Nations more effective, relevant and successful. The decisions taken at the seventy-seventh session would have a long-term impact on the ways in which the Secretariat reported on and managed the Organization's budgets. The Committee should therefore focus on making decisions that would ultimately improve the management of the Organization and result in concrete deliverables. Given the urgent and multifaceted crises faced by the Organization worldwide, the Committee should complete its work in a timely manner.

Agenda item 142: Scale of assessments for the apportionment of the expenses of the United Nations
(continued) (A/C.5/77/L.2)

Draft resolution A/C.5/77/L.2: Scale of assessments for the apportionment of the expenses of the United Nations: requests under Article 19 of the Charter

3. *Draft resolution A/C.5/77/L.2 was adopted.*

4. **Mr. Alyakin** (Russian Federation) said that, in its resolution 76/238, the General Assembly had reaffirmed

that the Committee on Contributions was a technical body. That Committee must work strictly on the basis of reliable, verifiable and comparable data. Unfortunately, in paragraphs 101, 102 and 107 of its report on its eighty-second session (A/77/11), the Committee on Contributions had included political references to the war in Ukraine and its impact on the economic problems faced by the Comoros and Sao Tome and Principe, without providing comprehensive information on the reasons that had obliged the Russian Federation to launch a special military operation in Ukraine or on the devastating consequences of illegal unilateral sanctions on the economies of developing countries. His delegation rejected the references to the war, and the economic consequences thereof, contained in that report. The attempts made in paragraphs 101, 102 and 107 to justify the vulnerable financial situation of States with arrears on the basis of the current circumstances in Ukraine were ridiculous, to say the least. The economic difficulties that had resulted in the accumulation of arrears by those States were systemic in nature and had emerged long before the beginning of the special military operation. While the Russian Federation was not opposed to restoring the right to vote to the Comoros, Somalia and Sao Tome and Principe, the politicization of the work of the Committee on Contributions was unacceptable, and his delegation disassociated itself from paragraphs 101, 102 and 107 of its report.

Agenda item 148: Report on the activities of the Office of Internal Oversight Services (A/77/278 (Part I) and A/77/278 (Part I)/Add.1)

Agenda item 136: Review of the efficiency of the administrative and financial functioning of the United Nations (A/77/273)

5. **Mr. Swanson** (Assistant Secretary-General, Office of Internal Oversight Services), introducing the report of the Office of Internal Oversight Services (OIOS) on its non-peacekeeping activities from 1 July 2021 to 30 June 2022 (A/77/278 (Part I) and A/77/278 (Part I)/Add.1), said that, during the reporting period, OIOS had issued 241 oversight reports relating to non-peacekeeping operations, including 16 to the General Assembly. The reports included 514 recommendations to improve risk management, governance and operations, 1 of which had been classified as critical. The addendum to the report (A/77/278 (Part I)/Add.1) contained an analysis of the implementation of OIOS recommendations. During the reporting period, OIOS had issued almost 30 per cent more reports and 23 per cent more recommendations than the previous year, reflecting its continued

adjustment to, and recovery from, the coronavirus disease (COVID-19) pandemic. OIOS had aligned its activities with the enterprise risk management frameworks of the Secretariat and other entities, developing a workplan focused on high-risk aspects of strategic management, governance and operations, in which it had given priority to the implementation of reforms, procurement and the supply chain, missions in transition and organizational culture, including addressing the risk of misconduct, such as sexual misconduct and retaliation, through investigations.

6. A total of 776 recommendations had been closed during the reporting period. Taking into account the new recommendations issued by OIOS, a total of 1,043 recommendations had remained open as at 30 June 2022. Of that total, almost half had been open for less than 12 months, and around a quarter had been open for between 12 and 24 months. The remaining 281 recommendations had been open for more than 24 months. OIOS had continued to engage with management to assess the progress of implementation of recommendations that had been open for more than 24 months or recommendations for which the target dates had been missed by more than 12 months (referred to as “long overdue recommendations”), and to agree on steps to ensure their implementation. Those efforts were aimed at ensuring the timely implementation of recommendations so that weaknesses in internal controls were quickly addressed and opportunities for performance improvements were swiftly harnessed. Long-term trends showed that more than 90 per cent of OIOS recommendations were eventually implemented.

7. In categorizing recommendation criticality, OIOS used the scoring criteria defined in the Secretariat’s enterprise risk management framework for the measurement of the potential impact and likelihood of the risks that the recommendations were designed to address, as well as the effectiveness of relevant controls in mitigating those risks. The goal was to help the Secretariat and other organizations to use OIOS recommendations in classifying and responding to the risks identified during OIOS oversight work. During the reporting period, OIOS had issued one critical recommendation, related to financial management and banking services. The Department of Management Strategy, Policy and Compliance was taking steps to implement that recommendation, which was the only unimplemented critical OIOS recommendation.

8. The Internal Audit Division had continued to ensure that its activities remained focused on the areas that presented the highest risk and had the greatest potential value, and had further integrated its risk-based planning processes with the Organization’s maturing

enterprise risk management framework. For example, to ensure a comprehensive approach to procurement-related risks, the Division had initiated the development of a procurement audit strategy, focused on high-risk commodities and contracts, procurement-related fraud risks and cross-cutting procurement management issues. The strategy had been based on an in-depth analysis of Secretariat procurement data, as well as insights from OIOS investigations of procurement fraud.

9. The Internal Audit Division had issued 513 audit recommendations, including 366 to entities not related to peace operations. Of the recommendations issued to entities not related to peace operations, almost half had been issued with a view to improving programme management, including the planning, budgeting, implementation, monitoring and evaluation of programmatic activities and projects. Other areas of frequent focus had included information technology, data management and financial management. In line with its strategy to support management reform, OIOS had continued to issue a high number of recommendations aimed at strengthening the centralized, business-enabling functions that supported enterprise risk identification, risk response and Organization-wide performance monitoring and reporting – the second line of defence in the Secretariat’s risk management and control system – through improvements to risk management, strategic planning and performance management.

10. The Inspection and Evaluation Division had continued to apply its new evaluation approach, giving priority to the evaluation of the outcomes achieved by subprogrammes under the sustainable development pillar. It had completed such evaluations for four regional commissions. It had also completed eight mandated triennial reviews of the implementation of recommendations arising from OIOS evaluations conducted in 2019. Overall, the Division had determined that 39 of the 41 recommendations reviewed, or 95 per cent, had been implemented, with the remaining 2 in progress. The Division had also continued to collaborate with the Department of Management Strategy, Policy and Compliance to provide strategic evaluation support to the Secretariat, including by offering familiarization workshops, consultations and advice for entities on the implementation of the new administrative instruction on evaluation in the United Nations Secretariat ([ST/AI/2021/3](#)), by developing and launching an online OIOS evaluation knowledge management platform, and by contributing to the development of a United Nations System Staff College training course on evaluation. The additional resources provided to the Division during the

reporting period would allow OIOS to continue to strengthen the Secretariat's evaluation capacity, facilitating programme managers' use of evaluation results to inform programme planning, and increasing learning and the accountability of departments and offices for achieving the planned outcomes of their programmes of work.

11. A total of 632 non-peacekeeping matters had been reported to OIOS during the reporting period, 147 of which had been assigned for investigation by the Investigations Division and 71 of which remained under review. The Division had issued 65 investigation reports, 71 closure notices and 20 advisory reports, figures that represented a significant increase over the previous year. The impact of the pandemic had remained evident at the end of the reporting period, with investigations taking an average of 12 months to be completed, a reversal of the pre-pandemic trend towards faster average completion times. However, the gradual phasing out of pandemic-related restrictions had resulted in more interviews and evidence-gathering being conducted in person, and average investigation completion times had fallen below 12 months since the end of the reporting period, standing at about 10.5 months. There had also been a reduction of around one month in the duration of sexual harassment investigations, which continued to be given priority and which, as at the end of the reporting period, had been taking an average of 9.3 months to be completed.

12. The independent experts engaged by OIOS to carry out an external quality assessment review of the Investigations Division would soon finalize their report on the findings of the review. Once completed, the report would be shared with the Independent Audit Advisory Committee (IAAC). By the end of the year, OIOS would initiate a similar review for the Internal Audit Division, to be followed by reviews of the Inspection and Evaluation Division and of OIOS as a whole. Those reviews were intended to inform the General Assembly's review of the functions and procedures of OIOS, to be conducted at its seventy-ninth session.

13. OIOS had engaged in effective cooperation, and there had been no inappropriate limitations on its scope of work or independence. IAAC and the audit committees of the United Nations High Commissioner for Refugees and the United Nations Joint Staff Pension Fund had continued to provide guidance and best practices to help strengthen the work of OIOS. OIOS had also closely coordinated with the Board of Auditors and the Joint Inspection Unit (JIU) in order to enhance synergies and efficiencies in the discharge of their respective mandates. He expressed gratitude to

Secretariat management and staff and to Member States for their support.

14. **Ms. St. Laurent** (Chair of the Independent Audit Advisory Committee), introducing the report of the Independent Audit Advisory Committee on its activities for the period from 1 August 2021 to 31 July 2022 ([A/77/273](#)), said that IAAC had reviewed trends in the rates of implementation of the recommendations of the Board of Auditors, OIOS and JIU. The rate of implementation of the Board's recommendations for entities under the Secretariat's purview continued to lag behind that for entities outside the Secretariat's purview. Some improvements had nevertheless been made, and management should continue that progress. The Management Committee had played an important role in ensuring the implementation of the oversight bodies' recommendations and should pay particular attention to implementing OIOS recommendations, particularly the older recommendations, some of which had been outstanding since 2015. As there had been challenges with respect to acceptance and implementation of the JIU recommendations, stakeholders should engage in continued dialogue in order to improve the implementation process.

15. Management had made progress in implementing enterprise risk management and mitigating the risks faced by the Organization, including through the recent finalization of the Fraud and Corruption Awareness Handbook. Management had also developed risk treatment plans for some entities and critical risks. However, three critical risk areas, namely, implementing partners, information and communications technology strategy and infrastructure, and cybersecurity, warranted additional attention. Management should therefore update the risk mitigation plans for those areas to address the recommendations of the Board of Auditors and OIOS.

16. OIOS was conducting audits to address many significant organizational risks. IAAC had examined the recommendations of OIOS relating to implementing partners, such as the United Nations Office for Project Services, and had learned that OIOS had performed two audits, one in 2017 and another in 2019, on oversight by the Mine Action Service of its partnership with the United Nations Office for Project Services. However, a number of important OIOS recommendations had not been fully implemented by management at the time of review. Management should implement those and other recommendations in a timely manner in order to mitigate the critical risks faced by the Organization.

17. While the caseload of the Investigations Division had increased by about 300 per cent over the past eight

years, the number of staff had only increased by about 10 per cent. Some key performance indicators, such as the average age and completion time of cases, had improved slightly, a commendable achievement given the large increase in caseload and small increase in the number of staff. However, the average completion time of investigations remained fairly high, at about 12 months, despite a slight decline since the end of the reporting period, and IAAC was concerned about the pressure faced by investigators to manage an ever-growing caseload. Without prejudice to the outcome of the ongoing external assessment of the Investigations Division, OIOS should review the Division's resource needs and develop a plan to further reduce the average time taken to complete investigations and manage referrals. With respect to financial reporting, although employee liabilities had declined as a percentage of total liabilities for United Nations operations, as reported in volume I of the reports of the Board of Auditors to the General Assembly at its seventy-seventh session ([A/77/5 \(Vol. I\)](#)), after-service health insurance liabilities remained a significant risk, and the Assembly might wish to revisit the matter at future sessions.

18. **Mr. Durrani** (Pakistan), speaking on behalf of the Group of 77 and China, said that the Group welcomed the planning activities conducted by OIOS, focused on critical areas such as the implementation of reforms, procurement and the supply chain, missions in transition and organizational culture. The implementation of reforms and the strengthening of the Organization's internal oversight were inextricably linked. OIOS played a key role in improving internal controls, risk governance, accountability and organizational efficiency and effectiveness. The Group supported the operational independence of OIOS, in line with General Assembly resolution [48/218 B](#), as well as the efforts of OIOS to carry out its work in accordance with the highest standards of professionalism and efficiency.

19. The Group welcomed the continuous efforts of OIOS and other oversight entities, including the Board of Auditors and JIU, to coordinate in order to minimize overlap and duplication in oversight work, and encouraged the enhancement of that coordination. Relevant United Nations entities should cooperate fully with OIOS in the discharge of its responsibilities, and the Secretary-General should report continuously on any impediments to the work of OIOS and prevent such impediments from arising in the first place.

20. The Group noted that, while the overall number of reports issued by OIOS had increased by 30 per cent, there had been a slight decrease in the overall number of OIOS recommendations, including those issued to peacekeeping missions. It also noted that OIOS had

closed 776 recommendations and that the number of critical recommendations had been reduced to 1. It was nevertheless alarming that the ratio of recommendations deemed important had increased to 99.8 per cent. However, the Group welcomed the fact that the implementation of some recommendations relating to loss and waste of resources had resulted in \$0.1 million in savings.

21. The Group recognized the work of the Internal Audit Division, in particular with regard to the strengthening of the second line of defence in the Secretariat's risk management and control system in the face of reforms, and the roll-out of the framework for delegation of authority. The Group also acknowledged the work of the Inspection and Evaluation Division and would seek to ensure that its work covered more of the Secretariat's subprogrammes. With regard to the Investigations Division, the Group supported the ongoing efforts to reduce the average time taken to complete an investigation, including the end-to-end review of the investigation process. The Group also supported the role of OIOS in the enforcement of the Organization's zero-tolerance policy for all acts of corruption, fraud and misconduct.

22. The Group appreciated the expert advice and assistance of IAAC, whose comments, observations and recommendations were intended to ensure compliance with audit and oversight recommendations and the overall effectiveness of risk management procedures in the Organization's internal control systems. The Group noted that IAAC had published three reports during the reporting period ([A/76/270](#), [A/76/720](#) and [A/77/85](#)). It welcomed the improvements in the rates of implementation of the recommendations of the Board of Auditors, the most significant of which had been observed in peacekeeping missions, with an increase from 35 per cent to 60 per cent, in the United Nations Environment Programme, with an increase from 42 per cent to 68 per cent, and in the United Nations Human Settlements Programme (UN-Habitat), with an increase from 5 per cent to 40 per cent. The Group also welcomed the finalization of the Fraud and Corruption Awareness Handbook, which would be useful in addressing the risks of fraud and corruption.

23. **Ms. Schmied** (Switzerland), speaking also on behalf of Liechtenstein, said that the two delegations wanted a strong, efficient and effective United Nations, and OIOS was essential to the good governance and functioning of the Organization. A robust internal oversight function in the Secretariat was key to transparency, accountability and the effective fulfilment of mandates, which was the objective of the Secretary-General's management reform.

24. OIOS was essential to combating the violation of ethical standards and such forms of misconduct as retaliation, discrimination, sexual exploitation and abuse and sexual harassment, all of which resulted in suffering and an unhealthy, inefficient working environment. The significant increase in the number of investigations conducted by OIOS in recent years demonstrated the importance of and trust placed in the Office as the central mechanism for receiving complaints of misconduct. OIOS must receive the resources necessary to address that challenge and must conduct its investigations using a victim-centred approach and specialized responses.

25. OIOS was essential to the strengthening of accountability at all levels. The recommendations of OIOS and IAAC must be implemented within prescribed time frames, as they were important for the continued improvement of the Organization's governance and functioning, and obstacles to their implementation must be identified and addressed. Accountability was key to United Nations reforms, including the reforms of the delegation of authority framework and other areas of management.

26. OIOS must maintain an appropriate degree of real and perceived independence from the management of the United Nations and of the funds and programmes, and must be able to perform its mandated activities impartially and objectively. Switzerland and Liechtenstein welcomed the collaboration between OIOS and other United Nations system entities and the coordination between OIOS, the Board of Auditors and JIU in order to harness synergies and increase efficiency.

The meeting rose at 3.50 p.m.