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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1988-1989*

PART VII. COMMON SUPPORT SERVICES

Section 28. Administration and management

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* The programme budget as approved by the General Assembly will be issued in its entirety as Official Records of the General Assembly, Forty-second Session, Supplement No. 6 (A/42/6/Rev.1).

F. Internal audit services

TABLE 28F.1. ANALYSIS OF OVERALL COSTS

(Thousands of United States dollars)

DIRECT COSTS

(1) Regular budget

1986-1987 appropri- ation	Estimated additional requirements								1988-1989 estimates
	Revaluation of 1986-1987 re- source base (at revised 1987 rates)		Resource growth (at revised 1987 rates)		Inflation in 1988 and 1989		Total increase		
	\$	%	\$	%	\$	%	\$	%	
4 828.1	(116.7)	(2.4)	29.3	0.6	170.4	3.5	83.0	1.7	4 911.1

Analysis of real growth (at revised 1987 rates)

(1) Total revalued 1986-1987 resource base	Resource growth				Rate of real growth (5) over (1)
	(2) Actual	(3) Less non-recurrent items	(4) Plus delayed growth (new posts)	(5) Adjusted	
4 711.4	29.3	24.7	-	4.6	0.1%

(2) Extrabudgetary resources

		1986-1987 estimated expenditures	1988-1989 estimated expenditures
(a) Services in support of:			
(i) Other United Nations organizations	1 230.1	1 290.2	
(ii) Extrabudgetary programmes	342.6	360.9	
Total (a)	1 572.7	1 651.1	
(b) Substantive activities		-	-
Total (b)	-	-	
(c) Operational projects		-	-
Total (c)	-	-	
Total (a), (b) and (c)	1 572.7	1 651.1	
Total, direct costs		6 562.2	

TABLE 28F.2. ANALYSIS OF REVALUED 1986-1987 RESOURCE BASE
(AT REVISED 1987 RATE)

(Thousands of United States dollars)

[illegible]

a/ Reflects the revised 1988-1989 vacancy rates.

TABLE 28F.3. ANALYSIS OF OVERALL COSTS

(Thousands of United States dollars)

(1) Regular budget

Main objects of expenditure	1986-1987 approved priorities	Estimated additional requirements				1988-1989 estimates
		Revaluation of 1986-1987 resource base (at revised 1987 rates)	Re-source growth (at revised 1987 rates)	Inflation in 1988 and 1989	Total increase	
Established posts	3 394.8	(65.6)	-	119.1	53.5	3 448.3
General temporary assistance	19.7	0.9	-	0.6	1.5	21.2
Consultants	12.1	0.3	(3.8)	0.5	(3.0)	9.1
Overtime	4.1	0.1	-	0.2	0.3	4.4
Common staff costs	1 131.0	(27.0)	-	40.3	13.3	1 144.3
Representation allowances	1.2	-	-	-	-	1.2
Career development training	50.6	1.2	-	2.0	3.2	53.8
Official travel of staff	155.7	4.7	-	5.5	10.2	165.9
Rental and maintenance of equipment	13.1	0.5	5.2	0.7	6.4	19.5
Hospitality	0.6	-	-	-	-	0.6
Supplies and materials	-	-	3.2	-	3.2	3.2
Furniture and equipment	32.0	(32.0)	24.7	0.9	(6.4)	25.6
Replacement of word-processing equipment	13.2	0.2	-	0.6	0.8	14.0
Total	4 828.1	(116.7)	29.3	170.4	83.0	4 911.1

Analysis of real growth (at revised 1987 rates)

(1) Total revalued 1986-1987 resource base	Resource growth				Rate of real growth (5) over (1)
	(2) Actual	(3) Less non-recurrent items	(4) Plus delayed growth (new posts)	(5) Adjusted	
4 711.4	29.3	24.7	-	4.6	0.1%

TABLE 28F.3 (continued)

(2) Extrabudgetary resources

	1986-1987 estimated expenditures	1988-1989 estimated expenditures
(a) Services in support of:		
(i) Other United Nations organizations	1 230.1	1 290.2
(ii) Extrabudgetary programmes	342.6	360.9
Total (a)	1 572.7	1 651.1
(b) Substantive activities	-	-
Total (b)	-	-
(c) Operational projects	-	-
Total (c)	-	-
Total (a), (b) and (c)	1 572.7	1 651.1
	Total	6 562.2

TABLE 28F.4. POST REQUIREMENTS

Programme: Internal audit services

Professional category and above	Established posts		Temporary posts									
	Regular budget		Regular budget		Extrabudgetary resources							
	1986-1987	1988-1989	1986-1987	1988-1989	1986-1987	1988-1989	1986-1987	1988-1989	1986-1987	1988-1989	Total	
D-2	1	1	-	-	-	-	-	-	1	1	1	
D-1	-	-	-	-	1	1	1	1	1	1	1	
P-5	3	3	-	-	1	1	1	1	4	4	4	
P-4	7	7	-	-	4	4	3	3	11	10	10	
P-3	10	10	-	-	3	3	3	3	13	13	13	
P-2/1	10	10	-	-	1	1	-	-	11	10	10	
Total	31	31	-	-	10	8	41	39				
General Service category												
Principal level	7	7	-	-	1	1	8	8				
Other levels	7	7	-	-	3	3	10	10				
Total	14	14	-	-	4	4	18	18				
Other categories												
Local level	-	-	-	-	1	1	1	1				
Total	-	-	-	-	1	1	1	1				
Grand total	45	45	-	-	15	13 a/	60	58				

a/ Includes posts financed by the United Nations overhead account (one D-1 and two General Service (Other level)), UNHCR Trust Fund (one P-5, two P-4, three P-3 and two General Service (one Principal level and one Other level)) and jointly by the Fund of UNEP and the Trust Fund of the United Nations Habitat and Human Settlements Foundation (one P-4 and one Local level). Excludes one General Service (Other level) post and one P-3 post charged directly to the United Nations Postal Administration and to UNIFIL, respectively.

F. Internal audit services

28F.1 This programme, which is carried out by the Internal Audit Division, is one of four programmes listed under the heading "Other management and technical support services", covered under chapter 29 of the medium-term plan for the period 1984-1989. Its objectives, strategy and activities are described in the addendum to that plan. ^{1/}

28F.2 The Internal Audit Division conducts independent audits in conformity with generally accepted auditing standards. It reviews, evaluates and reports on the soundness, adequacy and application of financial, accounting, administrative, data processing, operational and substantive transactions, systems, programmes and projects, and related internal controls. The Division's outputs comprise the individual audits (including financial compliance audits, operational audits and electronic data-processing audits) that it carries out each year. Its findings and recommendations are communicated to the officials responsible and are followed up on a systematic basis to ensure that all necessary corrective action is taken promptly and properly.

28F.3 The Division has its headquarters in New York and has offices at Geneva and Nairobi. It is responsible for performing audit functions of all United Nations activities and programmes for which the Secretary-General has administrative responsibility, including:

(a) United Nations Headquarters, revenue-producing activities, the United Nations Staff Pension Fund, the United Nations Institute for Training and Research, the United Nations Office at Geneva, the United Nations Conference on Trade and Development, the Office of the United Nations High Commissioner for Refugees, the Office of the United Nations Disaster Relief Co-ordinator, the International Trade Centre, the United Nations Research Institute for Social Development, the United Nations Postal Administration, the United Nations Office at Vienna, the United Nations Fund for Drug Abuse Control, the World Food Council, the International Court of Justice, the United Nations Environment Programme and the United Nations Centre for Human Settlements (Habitat);

(b) Five peace-keeping missions and other ad hoc missions, the United Nations Supply Depot in Pisa, the United Nations University and the United Nations University regional institutes, five regional commissions (Economic Commission for Africa, Economic and Social Commission for Western Asia, Economic Commission for Latin America and the Caribbean, Economic and Social Commission for Asia and the Pacific and Economic Commission for Europe) and their sub-offices, 63 information centres, the Institute for Namibia and approximately 2,000 technical co-operation projects;

(c) All United Nations trust funds and special accounts.

28F.4 During the biennium, the Division plans to devote 70 per cent of available work-months to compliance audits, which include the audit of assets, liabilities, income and expenditures (programme elements 1.1 and 1.2), and the remaining work-months to operational audits and the audit of programme outputs (programme element 1.3). The Division will continue to provide expanded audit coverage of activities at duty stations away from Headquarters.

28F.5 The single subprogramme under this programme is described below, by programme elements and identified services.

Subprogramme. Internal audit services

(a) Resource requirements:

Regular budget: \$4,911,100 (100 per cent of programme total);

Extrabudgetary resources: \$1,651,100 (100 per cent of programme total).

(b) Reference: addendum to the medium-term plan 1984-1989 (A/37/6/Add.2), paras. 29.14-29.19.

(c) Programme elements:

1.1 Audits of assets and liabilities

This programme element relates to financial compliance auditing for the purpose of evaluating the adequacy and effectiveness of internal audit controls, thereby ensuring:

(i) Safeguarding of assets;

(ii) Compliance with the established regulations, rules, policies, procedures and standards governing the acquisition, use, recording or control of the Organization's assets and liabilities;

^{1/} Official Records of the General Assembly, Thirty-seventh Session, Supplement No. 6B (A/37/6/Add.2), paras. 29.14-29.19.

(iii) Reliability and integrity of financial and operating information.

Output/service: Approximately 45 separate audit reports on assets and liabilities will be issued.

1.2 Audits of income and expenditures

This programme element also relates to financial compliance auditing for the purpose of ensuring that applicable regulations, rules, policies, procedures and standards are adhered to with respect to the handling of the Organization's income and expenditures.

Output/service: Approximately 175 audit reports on income and expenditures will be issued.

1.3 Audits of programme outputs

This programme element relates to operational systems auditing, which assesses whether operational and substantive programmes and projects are managed and operated effectively, economically and efficiently; whether related activities and outputs are carried out or produced as planned; and whether established objectives and goals are achieved satisfactorily.

Output/service: Approximately 65 audit reports on programme objectives, activities and outputs will be issued.

Resource requirements (at revised 1987 rates)

General temporary assistance

28F.6 The estimated requirements of \$20,600 relate to secretarial assistance in the Division's Geneva office (\$11,600) and for maternity and sick leave replacements (\$9,000).

Consultants

28F.7 A provision of \$8,600, reflecting a negative growth of \$3,800, would cover the cost of the services of external auditing firms or consultants to provide the necessary advisory support to the Division.

Career development training

28F.8 In line with the strengthening of the Internal Audit Division as endorsed by the General Assembly at its fortieth session, resources in the amount of \$51,800 are requested to cover the cost of staff training programmes. It is estimated that approximately 196 work-days of external training will be utilized during the biennium 1988-1989. Training will concentrate on electronic data-processing auditing and controls, such as auditing of advanced computer systems, the role of auditors in system development, and introduction to the latest audit software.

Official travel of staff

28F.9 The estimated requirements under this heading (\$160,400) are requested for the purpose of expanding audit coverage to the regional commissions, United Nations administered technical co-operation and other field projects, as well as for computer-based information systems located away from Headquarters. These resources would also be used for audits of programme output delivery, as required by rule 105.1 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and Methods of Evaluation.

Rental and maintenance of equipment (including maintenance of word-processing and electronic data-processing equipment)

28F.10 The provision of \$18,800, involving growth of \$5,200, is proposed to cover maintenance costs for existing word-processing equipment and for the electronic data-processing equipment proposed for acquisition in the biennium 1988-1989.

Furniture and equipment (including acquisition of electronic data-processing equipment)

28F.11 A provision in the amount of \$24,700 is requested to enable the Division to purchase minicomputer equipment (\$19,700) and audit software packages (\$5,000) in response to the decision to develop a programme of comprehensive training in the area of computer-assisted audits.

Replacement of word-processing equipment

28F.12 It is proposed to make a provision of \$13,400, representing 40 per cent of the value of the existing equipment, as part of the globally-administered programme for the replacement of existing word-processing equipment.