General Assembly

Seventy-fourth session

Official Records

Fifth Committee

Summary record of the 24th meeting

Held at Headquarters, New York, on Monday, 9 March 2020, at 10 a.m.

Chair: Mr. Mavroyiannis. . . . .   (Cyprus)
*Chair of the Advisory Committee on Administrative
and Budgetary Questions*: Mr. Bachar Bong

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The meeting was called to order at 10.05 a.m.

Agenda item 141: Joint Inspection Unit (*continued*)

Review of audit and oversight committees in the United Nations system (A/74/670 and A/74/670/Add.1; JIU/REP/2019/6)

1.   **Ms. Afifi** (Joint Inspection Unit), introducing the report of the Joint Inspection Unit (JIU) entitled "Review of audit and oversight committees in the United Nations system" (JIU/REP/2019/6), transmitted to the General Assembly by means of a note by the Secretary-General (A/74/670), said that, while JIU had conducted several reviews of the accountability and oversight functions of the United Nations system in the past, the current report was the first to focus exclusively on audit and oversight committees, whose role in United Nations system organizations had developed considerably over the past decade. The objectives of the review were to determine whether existing audit and oversight committees were adequately established and serving their purpose as originally envisaged in their terms of reference; to assess the degree of deviation from accepted standards and principles; and to identify good practices and lessons learned.

2.   The main findings were that considerable progress had been made over the past decade in terms of the scope, content and quality of the terms of reference of audit and oversight committees; that the terms of reference of the committees varied widely, as did the oversight architecture and reporting arrangements; that the responsibilities of the committees had broadened; and that the challenges facing them were numerous and growing. In addition, the terms of reference of some committees lacked essential provisions relating to committee membership, such as requirements for representation of both developed and developing countries and conflict-of-interest guidelines. Five JIU participating organizations had not established an independent audit and oversight committee.

3.   In its report, JIU outlined a number of good practices and made seven recommendations, addressed to the United Nations system organizations, six of which related to terms of reference. The pace of change in the work environments of United Nations system organizations was such that even the best terms of reference would soon be rendered obsolete. Their provisions should therefore be re-examined and updated regularly on the basis of the shifting needs and emerging priorities of the organizations. The implementation of the good practices and recommendations set out in the report would greatly enhance the work done by audit and oversight committees, whose members, in all but

one organization, provided their services on a pro bono basis but were nevertheless expected to display a high degree of professionalism and independence.

4.   **Ms. Petrova** (Director, United Nations System Chief Executives Board for Coordination), introducing the comments of the Secretary-General and the United Nations System Chief Executives Board for Coordination (CEB) on the report of JIU, as contained in the note by the Secretary-General (A/74/670/Add.1), said that United Nations system organizations welcomed the review of the evolution of the role of audit and oversight committees since the issuance of the Unit's first oversight-related report in 2006. The organizations appreciated the fact that the report highlighted good practices and provided insight into the structure and operation of audit and oversight committees, and were pleased that the report did not set out a one-size-fits-all model, as the needs of each organization varied according to its size, funding and mandate.

5.   The advice provided by audit and oversight committees was valuable regardless of whether the committee reported to the organization's legislative body, executive head or both. Organizations in which the audit and oversight committees had been designated by the legislative and/or governing bodies to serve as an advisory instrument to the executive head had found the wording of the proposed recommendations not to be actionable.

6.   **Ms. Austin** (Guyana), speaking on behalf of the Group of 77 and China, said that the Group welcomed the first JIU report focused exclusively on audit and oversight committees, which would enable organizations to update their approaches to such committees. While there had been a great deal of change within the United Nations system in recent years, the Group nevertheless believed that many of the findings contained in previous JIU reports related to oversight were still valid and should be re-examined.

7.   The Group was pleased that both JIU and CEB had acknowledged that a one-size-fits-all approach was not appropriate and that the good practices and lessons learned set out in the report could not be applied to all audit and oversight committees, each of which had specific needs and characteristics. The Group looked forward to learning more about the particularities of the committees and the feasibility of the JIU recommendations, in particular how the legislative and/or governing bodies would be expected to implement them.

8.   **Ms. Jun** Ji Sun (Republic of Korea) said that her delegation welcomed the JIU report, which was the first

comprehensive analysis of the independence and effectiveness of the audit and oversight committees. As noted by JIU, considerable progress had been made over the past decade. However, one third of the committees did not meet international standards. Her delegation was of the view that the independence of the committees was the key to ensuring their proper functioning. Consideration must be given to ensuring adequate reporting channels, creating separate budgets for the committees and building the capacity of those bodies to discharge their duties. Her delegation agreed with the Unit's recommendation that a standard system-wide questionnaire be developed for the performance evaluation of the committees. However, efforts to make the committees more effective and accountable must not jeopardize their independence.

> *Managing cloud computing services in the United Nations system* (A/74/691 and A/74/691/Add.1; JIU/REP/2019/5)

9. **Mr. Flores Callejas** (Joint Inspection Unit), introducing the report of JIU entitled "Managing cloud computing services in the United Nations system" (JIU/REP/2019/5), transmitted to the General Assembly by means of a note by the Secretary-General (A/74/691), said that most United Nations system organizations had a significant presence worldwide, with multiple field offices and geographically dispersed teams requiring efficient communications, coordination and collaboration. The report described the cloud computing services and deployment models used by the various entities.

10. Cloud computing had many benefits, which were directly related to its distributed and shared nature. One of the main benefits was service continuity. The amount and widespread availability of information and communications technology (ICT) resources offered by cloud computing providers allowed for redundant facilities, multiple backup locations and worldwide support 24 hours a day. Cloud computing providers also claimed that cloud computing services were cost-effective, owing to economies of scale and the sharing of computing resources among clients, who were only billed for their actual use of resources. In addition, the use of cloud computing services eliminated the need to invest in computing hardware, software and associated networking infrastructure.

11. With the global growth of Internet usage, cyberattacks and data leaks were increasingly frequent. United Nations system organizations were high-profile targets and were under constant attack. Accordingly, before embarking on a modernization project based on cloud computing, all United Nations system

organizations should upgrade their existing network infrastructure. In addition, before considering a move to a public or hybrid cloud, organizations should consider creating a private cloud on a dedicated line.

12. There was an evident need within the organizations for comprehensive decision-making practices that included the various organizational units and went beyond technical considerations. Each organization must review its own regulatory compliance obligations and the relevant laws of both the country where the organization was based and the country where its data was being processed.

13. The United Nations International Computing Centre (UNICC) had the potential to act as the strategic United Nations hub for the supply of third-party public cloud services to partner organizations, which could make the use of such services more secure, provide further cost savings and improve negotiation capacity with service providers. The report contained five recommendations, one of which was addressed to the General Assembly and concerned the strengthening of the UNICC Management Committee.

14. **Ms. Petrova** (Director, United Nations System Chief Executives Board for Coordination), introducing the comments of the Secretary-General and CEB on the report of JIU (A/74/691/Add.1), said that the comprehensive report would help organizations that were in the process of or considering moving ICT applications to the cloud. The report contained useful guidance on how to navigate and manage the risks and complexities associated with cloud computing.

15. Organizations concurred with the inspectors' views that cloud computing offered the opportunity to manage ICT service delivery with more agility and improved business continuity and security, all at reduced cost. However, the business case and adoption strategy of each organization needed to be designed explicitly to meet those objectives; otherwise, there was a risk that organizations would not experience the full benefits of cloud adoption.

16. In the context of the reform of the United Nations, several organizations recognized the need for synergy and consistency in leveraging and sharing common experiences and policies. Organizations recognized the timeliness of reflecting on current and future opportunities for extending the mandate of UNICC into new service areas in response to organizational needs. However, specific proposals in that regard would be better addressed within the UNICC Management Committee and not as currently outlined in recommendation 5.

17.   **Ms. Austin** (Guyana), speaking on behalf of the Group of 77 and China, said that the use of cloud computing systems had grown considerably in the past decade. Almost all United Nations organizations were already using a variety of cloud computing services, such as email, hosting of public websites, recruitment and talent management applications, and collaboration tools.

18.   While the use of cloud computing technology had many benefits, including cost reduction, simplification, flexibility and agility, it also came with substantial risks, including issues related to data confidentiality and the need to safeguard the provisions of the Convention on the Privileges and Immunities of the United Nations and the Convention on the Privileges and Immunities of the Specialized Agencies. Accordingly, the Group supported the inspectors' call for a more balanced approach to the potential benefits of cloud computing that took into consideration associated specific risks.

19.   The Group was examining carefully the recommendations set out in the report, which were intended to maximize the potential of UNICC and strengthen cooperation in the context of more strategic and coordinated use of ICT resources by United Nations organizations. The Group looked forward to learning more about the expected impact of the recommendations.

The meeting rose at 10.35 a.m.