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REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL
FUNCTIONING OF THE UNITED NATIONS

Accountability, management improvement and oversight
in the United Nations system

Note by the Secretary-General

The Secretary-General has the honour to transmit to the General Assembly the comments of the Administrative Committee on Coordination on the report of the Joint Inspection Unit entitled "Accountability, management improvement and oversight in the United Nations system" (A/50/503 and Add.1).

ANNEX

Comments of the Administrative Committee on Coordination
on the report of the Joint Inspection Unit entitled
"Accountability, management improvement and oversight in
the United Nations system"

I. GENERAL COMMENTS

1. The report seeks to address a wide range of activities falling under the umbrella of accountability and oversight within the United Nations system. This extensive "baseline survey" (see A/50/503, para. 8) shows evidence of substantial research effort, including a exhaustive bibliography, and provides a comprehensive comparative assessment of various accountability, management improvement and oversight mechanisms in use within the United Nations system. The reference value of the comparative tables in part two (A/50/503/Add.1) is particularly significant. A number of organizations were pleased to note positive references recognizing their accomplishments.

2. Members of the Administrative Committee on Coordination were of the view that the inclusion of a detailed analysis of empirical cases of effective implementation of the approaches advocated in the report, would have made the report more practical to follow up.

3. Many of the proposed ideas for modernizing the internal management practices of the organizations of the United Nations system, such as management development and training, career development programmes, encouragement of staff creativity aimed at improved organizational performance, etc., were certainly valid. In this connection, members of the Administrative Committee on Coordination shared the thrust of the report and stressed that most of its suggestions and recommendations had either already been implemented or closely correlated with the course of decentralizing, restructuring and streamlining initiatives pursued by the organizations and agencies of the system.

II. COMMENTS ON RECOMMENDATIONS

Recommendation 1

4. Members of ACC were of the view that, while the intrinsic value of strategic planning, performance management and accountability was beyond doubt, the need to have all three functions combined in one organizational unit was not self-evident. Those related functions should be coordinated and exercised in an integrated way, but each organization needed to determine the particular structure and arrangements for those functions in its specific functional and financial circumstances. Members of the Administrative Committee on Coordination noted that the stress of the "single focal point unit" for this diverse range of functions was, to some extent, in contradiction with other statements and observations in the report, in which it was recognized that organizations must find their own way of advancing reforms (see, for example, A/50/503, paras. 6, 54 and 143).

5. While some organizations had chosen to establish central offices for strategic planning and accountability, others found it more effective, in their specific circumstances, to rely on advisory panels of senior management in strategic policy review, assisted by specialized task forces and working groups, which oversee the implementation of reform tasks in specific functional and technical areas. Each of those control and coordination centres was supported, within existing resources, by a staff complement with relevant expertise. In general, it appeared that while the centralized approach proved its merit in more specialized, less diversified organizations, the decentralized one was more suitable for multidisciplinary organizations, especially in a situation of diminishing resources.

Recommendations 2 to 5

6. The Administrative Committee on Coordination supported the general thrust of recommendations 2 to 5 and noted that they had been already incorporated, in various shapes and forms, in their reform strategies. Implementation of the envisaged measures along these lines had yielded significant positive results.

7. In regard to the question of the "visibility" of the work of internal audit services, raised in the report, it was noted that it should be taken duly into account within the framework of the mechanisms for implementing the recommendations of internal audits.

8. Concerning the standards of conduct in the international civil service, it was emphasized that, in order to avoid a situation where each organization and agency draws up its own standards, the International Civil Service Commission should be responsible for drafting the Standards, after consulting all concerned.

Recommendations 6 and 7

9. The Administrative Committee on Coordination will continue to support the efforts of inter-agency bodies to enhance accountability, management and oversight system wide.

Recommendation 8

10. The Administrative Committee on Coordination noted that this recommendation was addressed to governing bodies.

Recommendation 9

11. The Administrative Committee on Coordination was of the opinion that the specific modality of such reporting should be left to each organization to decide according to the requirements of their governing bodies.

II. SPECIFIC COMMENTS

Internal audit (A/50/503, paras. 18-30)

12. In its analysis of the internal audit activities throughout the system, the report noted the growing emphasis on the management audit approach and urged that it should become more pronounced. While members of the Administrative Committee on Coordination fully concur with the importance of expanding the horizons of the internal audit units to include a more intense management audit approach, they would like to emphasize that this has to be achieved not at the expense of financial and compliance aspects. Financial and attest auditing, along with compliance auditing, should remain the essential part of the internal audit programmes of work.

External auditors (A/50/503, paras. 208-210)

13. The delineation between the United Nations Board of Auditors and external auditors of other organizations and agencies is somewhat artificial and may be misleading in conveying the impression that the Board of Auditors is something other than external auditors.

Internal evaluation in the United Nations Environment Programme (A/50/503/Add.1, table 3)

14. It should be noted that in UNEP, the Follow-up and Evaluation Section (FUES) has been transformed into the Project Design and Evaluation Unit, which is part of the newly established Corporate Planning and Accountability Service.

Governing bodies, UNESCO (A/50/503/Add.1, table 12)

15. It should be noted that since 1993, the membership of the UNESCO Executive Board has comprised States, and no longer prominent individuals serving in their personal capacity. Since November 1995, the Board has comprised 58 members, not 51 as indicated in the table. The Finance and Administration Commission of the Executive Board has also established a group of experts on financial and administrative questions.

16. Concerning the preparation of reports submitted to the oversight governing bodies, reference should be made to the in-depth study of ways and means of improving the quality of working documents of the General Conference and the Executive Board of UNESCO conducted by the special committee of the Executive Board.
