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**UNDP/UNFPA/UNOPS Executive Board (New York, 4-7 September 2018)
UNOPS segment (5 September 2018)**

**Review of management and administration in the United Nations Office for Project
Services (UNOPS), (JIU/REP/2018/3)**

Statement by Inspector Ms. Gönke Roscher

Mr. President, Ms. Executive Director, distinguished members of the Board,

Thank you very much for giving me the opportunity to briefly introduce the JIU review of management and administration in the United Nations Office for Project Services. As with similar JIU reviews, the main objective of such a review is to examine the effectiveness of relevant policies and procedures, provide an independent assessment and to identify opportunities for improvement.

In this review, the JIU paid special attention to UNOPS distinctive features, in particular its self-financing nature and its mandate for delivery of services to its partners within and outside the United Nations system. Due credit was given to the organization for reforms undertaken and the success of its business model.

Against the overall positive assessment of the management and administration in the organization, the review identified a few areas in which action is needed to improve the efficiency and effectiveness of the organization and to strengthen integrity and accountability. To this end, three formal recommendations are made, two of which are addressed to member States through the Executive Board, and one to the Executive Director.

We have taken note of UNOPS management response and its generally positive reaction to the report and its findings. There is, however, some divergence of opinion regarding two of the three formal recommendations.



In order to clarify matters, I would like to draw your attention to recommendation 1. In general, the review acknowledged a well-established and comprehensive oversight framework in place. As stated in previous JIU reports, oversight committees like the UNOPS Audit Advisory Committee play a critical role in the United Nations system in assisting both the governing bodies and the executive heads in strengthening oversight, and in ensuring the independence and effectiveness of the internal audit function. The Institute of Internal Auditors views independent audit committees as a mandatory part of public sector governance.

The review, however, showed that the AAC's terms of reference do not fully correspond to the requirements of leading practices and good governance. As a result, the AAC differs somewhat from similar oversight committees in the United Nations system, in particular with regard to its mandate, independence, the frequency of self-assessments and the procedures for the selection and appointment of its members.

The JIU recommends to the Board to adopt revised terms of reference for the AAC aligned with good practices and established standards. The size of UNOPS, and the volume and financial magnitude of its operations, make an effective independent audit committee indispensable, in particular for assisting the Executive Board and the Executive Director in effectively fulfilling their governance and oversight responsibilities and providing member States with the necessary assurance that the organization is managed effectively, efficiently and economically.

Let me underline that this recommendation was not formulated to challenge previous decisions by the Executive Board, rather it was made to ensure the continued attention of the Board to this matter and to strengthen its oversight capacity. It is in that spirit that we believe that the terms of reference of the AAC should be reviewed.

With regard to recommendation 3, that the Board revisits the contingency provisions under the UNOPS budget at regular intervals to determine the appropriate threshold of the



mandatory reserve and take a decision on the UNOPS reserve portfolio, we have noted the measures taken in recent years, including the respective decisions of the Board. Considering, however, the level of risk related to the nature and magnitude of UNOPS engagements, which nearly doubled from 2012 to 2017, periodic consideration of this issue by the Board is deemed necessary.

Again, this recommendation was not formulated to challenge previous decisions on this matter by the Board. On the contrary, as for recommendation 1, it was made to ensure the continued attention of the Board to this matter and to strengthen its oversight capacity.

With regard to recommendation 2 on the strengthening of the ethics function, we welcome the intention of UNOPS executive management to implement this recommendation and to recruit an Ethics Officer at senior staff level in 2018. We look forward to the complete implementation of this recommendation.

I also wish to draw your attention to the informal recommendations of the report. These are suggestions for improvement in various areas such as oversight, executive management, human resources management, and information and communications technologies.

As member States share collective ownership of UNOPS, exercise oversight and provide strategic guidance to the executive management, I encourage the Board to endorse the report's formal and informal recommendations and to initiate action through decisions on their implementation.

Thank you for your attention.

