

## **EXTERNAL EXPERTS OVERSIGHT REVIEW**

In a "high-level" meeting in 1996, the UN system's interagency committee on administrative matters discussed criticisms of the system's "only independent system-wide oversight body", the Joint Inspection Unit. The CCAQ reiterated criticisms of JIU made at a 1995 meeting: poor quality reports; an inadequate process for selecting Inspectors; dubious relevance of JIU studies; an emphasis on research rather than evaluative or management audit content; problematic working methods; duplication with other bodies; and a top-heavy structure.

In late 1996, the heads of all the UN system organizations, meeting as the Administrative Committee on Coordination (ACC) (now the Chief Executives Board), noted the CCAQ meeting's conclusions. They took the highly unusual step of requesting the UN to invite the General Assembly, on behalf of ACC, to commission an independent review in 1997 of JIU by a group of national auditors-general, to determine the relevance, effectiveness and cost-efficiency of JIU studies, and make recommendations on the future role of JIU. In early 1997, the UN, under new Secretary-General Kofi Annan, pursued the external review proposal, including an eventual reduction in the number of JIU Inspectors, but over the 1997-1998 period the attempt was rebuffed in back-corridor negotiations at the General Assembly.

[Note: All as discussed in this archive's subsection, [A small outdated unit in a big, fast-changing world](#) under [External Oversight: The JIU](#) .]

In 2002, Mr. Annan announced as part of his agenda for further change that he was renewing, with strong Chief Executive Board and General Assembly support, his own 1997 proposal for a review of the International Civil Service Commission (ICSC). He stated that this launch:

"would send a strong signal that the Commission and the Assembly take seriously the need to support reform in the system."

Action 35. I encourage:

- (a) the [ICSC] to finalize its proposals for a more competitive pay and benefits system;
- (b) the initiation of an independent review of the operations and functions of the Commission itself."

"Strengthening of the United Nations: An agenda for further change: Report of

the Secretary-General," UN document A/57/387 of **9 September 2002**, para. 194.

It is a shame that Mr. Annan did not renew as well his "strong signal" of supporting reform by vowing as well to review the operations and functions of the JIU, particularly since its weak performance has now been joined by a half-hearted decade of effort by the OIOS, and continued weak oversight performance by the Fifth Committee of the General Assembly. Each of these "disappointments" has been discussed at length in the major section of this archive on Inadequate UN Oversight .

Each of these three groups urgently needs a serious and coordinated review, for one overriding reason -- to finally address and overcome their great lack of professionalism and proper diligence.

-- The JIU, on a scale of 1-to-10 from "hopelessly amateur" to "highly-professional", has always ranked right around 1 to 3, and is now perhaps a 2. It is more outdated than ever, at a time when the UN management systems and oversight require highly-competent and efficient oversight work. As discussed in the JIU section, the UN Board of Auditors (and the Panel of External Auditors of the UN system) could not only provide additional fully-professional services in place of JIU, while it is gradually phased out (as the ACC already envisioned in 1997). Even more importantly, they could provide much more oversight expertise for the same money, as the high-salaried and inactive JIU Inspectors are replaced by national auditors at a much lower rate.

-- Since 1997 the OIOS has also disappointed those who had hoped for a strong internal oversight office, with weak investigation activity, an overpowering desire to be a "partner" of UN management rather than a unit enforcing the rules, and reporting that poorly explains its work and results. One can ask "what's in a name?", and realize that the new office in 1994 was expected to become an "inspector general" and the preliminary unit was actually named the Office of Inspections and Investigations to reflect its new emphases. In fact, it became the neutral OIOS, and headed by one among 20 or so UN Under-Secretary-Generals, because of fears about how powerful it might be. But it has now proven that it is indeed primarily an office of management "Services", as titled, and would never qualify for the title of "Accountability Office" as its intended model, the US GAO has just renamed itself. And while the OIOS is much more professional than the JIU, its professionalism Achilles heel is in the worst possible place -- the two

amateurs chosen to be its first leaders.

-- The Fifth Committee continues to be a chaotic, overloaded, and inefficient composite of 191 Member State representatives, many or most of whom have little if any management expertise. It has failed to properly use the many interesting reports that the OIOS has put before it, and although it respects the Auditors, it does not use their work (or that of the JIU, for different reasons) well either. It is incredible that, in an organization that spends \$6 to \$10 billion every year, there is no General Assembly audit subcommittee to closely and professionally oversee programme implementation and results, but the UN is that organization. IO Watch urges such a committee under that subsection title which follows.

The UN thus has "horse and buggy" oversight in the 21st century. Certainly management messes, most particularly the UN-administered oil-for-food programme in Iraq that emerged in 2004, and the security failures in the Baghdad headquarters bombing in 2003, show that the UN's already weak operational accountability and credibility are declining further. This sad assessment is underlined further by the US GAO report on the failure to implement the comprehensive UN management reforms of the 1990s and hold managers accountable (the latest estimate for such a mechanism to appear is by 2006), and the UN "integrity survey", which showed that UN staff, who best know what is going on in the organization, mistrust their top leadership.

The solution is very readily at hand, and it should be fully acceptable to a highly-politicized UN community (though not to diplomats seeking cushy "oversight" and "expert" jobs.) The external auditors, for the entire system, all already come from members of the International Organisation of Supreme Audit Institutions (INTOSAI). They can provide the essential flow of highly-professional, up to date, conscientious and integrity-bound pool of expertise and oversight from UN Member States around the globe, which is required to modernize and revitalize UN oversight processes.

[Note: for further information on this excellent "fit" between INTOSAI and the UN and UN system, only partially-realized for so long, see For INTOSAI, [www.intosai.org/](http://www.intosai.org/)  
For the UN Board of Auditors, see [www.unsystem.org/auditors/#top](http://www.unsystem.org/auditors/#top)  
For the Panel of External Auditors, see [www.unsystem.org/auditors/external](http://www.unsystem.org/auditors/external)  
And for the INTOSAI working group on audits of international organizations, see [http://www.riksrevisjonen.no/Default.asp?Application=Riksrevisjonen\\_Engelsk](http://www.riksrevisjonen.no/Default.asp?Application=Riksrevisjonen_Engelsk).]

It is time to seize the obvious INTOSAI opportunity, not

only to seek out auditors- or ex-auditors-general to do an overall oversight review for the General Assembly, but to examine the struggling and weak performance of the JIU, plus the OIOS and the Fifth Committee. In each case, INTOSAI people could in future become the key element for professionalizing the present amateurish JIU functions, becoming the group from which future heads of the OIOS are properly chosen , and representing their countries as very expert members of a new Fifth Committee audit subcommittee. In each of these areas, INTOSAI people could:

-- provide a geographically-balanced but fully professional set of representatives who can become a very important impetus for well-managed UN programmes;

-- finally provide serious and continuous oversight of UN management reform progress and accountability processes;

-- help launch and sustain a proper fraud prevention programme as outlined in the first "Answers" topic above, and in accord with the new Global Compact anti-corruption element (and help provide the legitimacy, rather than the hypocrisy) of the hoped-for UN leadership role in the new UN Convention against Corruption; and

-- ensure as best possible that an Iraq oil-for-food debacle never happens again.

The task is not so complex. The UN Secretariat itself had clearly marked the path to ensuring accountability in two reports, the first in 1994, the second in 2000:

"... [UN staff and managers' capacity and expertise at all levels] must correspond to the responsibility assigned and authority delegated and must be balanced by full accountability through appropriate accountability mechanisms. An efficient organizational oversight machinery will monitor the operation of the system and conduct audits, inspections, evaluations and investigations ... The systematic control of the interrelated processes ... will provide the key to success ... and contribute to the Organization's effectiveness and efficiency.

"Establishment of a transparent and effective system of accountability and responsibility: Report of the Secretary-General", UN document A/C.5/49/1 of 5 August 1994, paras. 12 and 109. [emphasis added]

"The chain of accountability

1. Specifying responsibility, authority and results to be achieved ...
2. Providing guidance and support ...
3. Monitoring and assessing the exercise of responsibility and authority ...
4. Taking appropriate action

Follow-up must be capable of distinguishing between and dealing appropriately with the following

- (a) Excellent or satisfactory execution of responsibility and authority;

- (b) Unsatisfactory execution of responsibility and authority as a result of carelessness or ignorance;
- (c) Unacceptable exercise of responsibility and authority due to deliberate flouting of policies, rules and regulations, or exceeding the limits of authority;
- (d) Misconduct or fraud."

"Accountability and responsibility: Report of the Secretary-General," UN document A/55/270 of **3 August 2000**, Annex II. [emphasis added]

To date, this UN "road map" has never been implemented. As long as the UN insists on turning the task over to amateur diplo/managers, UN management accountability will continue to be just a fantasy and a public posture.

In December 2004 the General Assembly wrapped up its consideration of management reform and oversight matters with surprising swiftness (its deliberations on management matters are usually finished only months later, in the next year). However, its relevant resolutions generally only exhorted the OIOS, JIU and the Secretariat at large to continue to strive to do what they are supposed to do, and to report back in a year or two on further developments. The resolutions had little or no relationship to the many grave UN management problems and issues which had emerged during the year, as discussed throughout this archive, and the urgent need to fix them.

There were, however, three small signs that the Assembly realizes that management accountability is weak and that some major and decisive actions are needed. First, in its resolution on a supposed overall assessment of OIOS performance, it repeated its usual bromides about "strengthening" accountability. At least it stated, but with no follow-up action, that it:

- "4. Affirms its primary role in the consideration of and action taken on the reports presented to it;
5. **Notes that no mechanism has been established** for the follow-up of [OIOS] recommendations, including those considered by the General Assembly;
6. **Emphasizes the importance of establishing real, effective and efficient mechanisms for responsibility and accountability;**
7. **Regrets that despite previous information provided by the Secretary-General on the establishment of accountability mechanisms, including the accountability panel, such mechanisms are not in place, thereby affecting the efficient and effective functioning of the Organization;**"

"Review of the implementation of General Assembly resolutions 48/218B and 54/244: Report of the Fifth Committee", UN document A/59/649 of **22 December 2004**, and

"Review of the implementation of General Assembly resolutions 48/218B and 54/244", General Assembly resolution 59/272 of **23 December 2004**, esp. paras. 4-7. [emphasis added]

In a second resolution on UN human resources management, the Assembly concluded somewhat more forcefully by recalling the requests in its resolutions 51/226, 53/221, and 57/305 (at its 1996, 1998, and 2002 sessions) to the Secretary-General:

"... to enhance managerial accountability with respect to human resources management decisions, including **imposing sanctions in cases of demonstrated mismanagement of staff and willful neglect of, or disregard for, established rules and procedures**, while safeguarding the right of due process of all staff members, including managers, and requests the Secretary-General to report comprehensively thereon at its sixty-first session."

"Human resources management: Report of the Fifth Committee", UN document A/59/650 of **22 December 2004**, and

"Human resources management", General Assembly resolution 59/266 of **23 December 2004**, section I and esp. para. 14. [emphasis added]

[Note: the above list of past resolutions notably omitted the original one -- 48 218/A of 1993 on the management accountability system. The Secretariat seems indeed to have been successful in expunging this bold General Assembly step from any further UN discourse and follow-up.]

And in a third resolution on the work of the Board of Auditors, the praised the auditors' work and then stated that it:

"9. Reiterates its request to the Secretary-General and the executive heads ... to examine governance principles and to report thereon to the General Assembly, through the respective governing bodies .... at its sixty-first session;

10. Requests the Secretary-General and the executive heads ... to **consider strengthening the internal control framework, harmonizing the oversight mechanisms that would systematically act on ... [oversight recommendations] and improving financial reporting**, ... and report thereon ... [at the sixty-first session];

11. Notes that the Secretariat has been collecting information on the experiences of audit committees within the United Nations system and other international organizations, and requests the Secretary-General to report on and provide an assessment of its findings to the General Assembly at its sixtieth session."

"Financial reports and audited financial statements, and reports of the Board of Auditors: Report of the Fifth Committee", UN document A/59/588 of **30 November 2004**, and

"Financial reports and audited financial statements, and reports of the Board of Auditors", General Assembly resolution 59/264 of **23 December 2004**, paras. 6-11, [9-11.] [emphasis added]

As is the usual practice, the Assembly turned action on these matters over to the Secretariat to handle and report on two years later, that is in late 2006 (late 2005 for the audit committee issue). This is a recipe for further delay, in an area where the UN urgently needs a high-level review by outside experts -- and to then establish a modern, professional system of governing body oversight. This would occur by "harmonizing the oversight mechanisms ... systematically", within the broader governance context, and considering -- finally -- an audit subcommittee to provide accountability and oversight leadership by the General Assembly.

To make this happen, the General Assembly must not rely on a tepid Secretariat report two years out in the future. Instead, its present management crisis and scandals only underscore the need to commission a serious, independent, expert, review of its oversight situation, as first proposed by the executive heads of all the UN system agencies in 1996-1997, and to commit itself to hiring top people from the obvious source to conduct this study: INTOSAI members and national audit offices. A decade has been wasted, and the fraud, waste, and mismanagement situation is now much worse than ever before.

Three subsequent subsections of this archive underscore this proposal by urging additional actions to provide annual results reporting to the Assembly on results, and on resource status, and to indeed establish an audit subcommittee to carefully and continuously assess how the UN spends its \$6 to \$10 billion of funds annually.