General Assembly

Seventieth session
Agenda item 132
Review of the efficiency of the administrative and financial functioning of the United Nations

Fifth progress report on the accountability system in the United Nations Secretariat

Report of the Secretary-General

Summary

      The Secretary-General has the honour to transmit to the General Assembly a report on progress made towards the implementation of the accountability framework, as requested by the Assembly in its resolution 69/272. The report informs Member States of the measures taken and planned by the Secretary-General to continue to strengthen accountability, including in terms of the benefits derived from the recent transformative management reforms that enhance managerial decision-making and transparency.

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I. Introduction

1.   The present report is submitted in response to General Assembly resolution 69/272, in which the Assembly requested the Secretary-General to report to it at the first part of its resumed seventieth session on the implementation of the accountability framework.

2.   The report is organized around three important concepts embedded in the accountability system of the Secretariat. The first concept is performance and results, which refers to the obligation of the Secretariat to deliver the results laid out in the programme planning and budgeting documents of the Organization, taking into consideration the risks the Organization faces. Under this category, different alternatives for measuring the efficiency of the Organization are presented, and the progress made by the Organization in results-based management and enterprise risk management, among others, are reported. The second concept, stewardship of resources, refers to the Secretariat's responsibility as the protector of the resources entrusted to it. Under this item, the possible content of an anti-fraud policy is described, and an aggregate analysis of high-risk recommendations issued by the oversight bodies is provided. The report also includes a section on the third concept, compliance, which refers to the commitment of the Secretariat to deliver results and implement its activities in accordance with, and fulfilment of, all regulations, rules, policies and procedures of the United Nations. This area includes the activities developed by the Ethics Office and a section related to accountability in the peacekeeping area and in procurement.

3.   Finally, there is a section entitled "Enablers" that describes the benefits derived from the implementation of International Public Sector Accounting Standards (IPSAS) and Umoja as the platforms on which a more accountable and efficient United Nations is being built, thereby enabling the Secretariat to maximize new methods of service delivery in a more cost-effective manner.

Figure I
Effective management
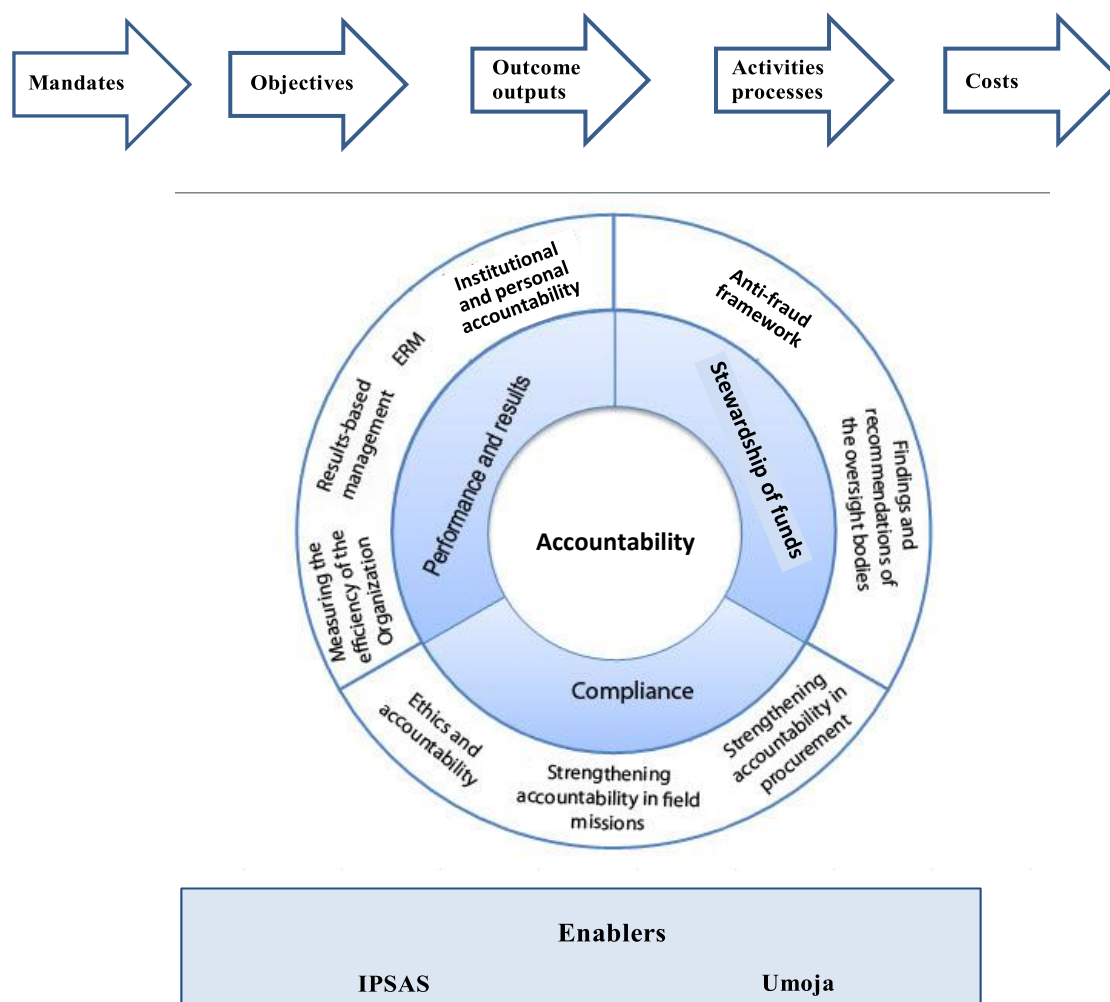
Key:
ERM — enterprise risk management.

II. Performance and results

A. Measuring the efficiency of the Organization

4.   The classical approach to measuring efficiency entails a comparison between inputs and outputs or between costs and outputs. With a given input, the greater the output, the more efficient the activity or process is considered to be. The United Nations Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation establish that efficiency is measured by how well inputs are converted into outputs (see ST/SGB/2000/8, annex). Measuring efficiency requires the following

three variables to be measured in systematic ways: the estimation of costs; the estimation of outputs (or outcomes); and the comparison between the two.

5.   While measuring efficiency might be relatively straightforward for an entity that produces tangible goods, such as cars or chairs, or measurable services, it is more complex for an organization like the United Nations, which has a wide variety of mandates and operations, from conference servicing to political mediation to peacekeeping.

6.   With the implementation of IPSAS and the change from cash to accrual accounting, the Organization is now in a position to better assess the costs of its operations and underlying factors that have an impact on them. In the case of Umoja, this single platform is enforcing a common interpretation of the regulations, rules and policies related to the management of resources, thereby requiring managers to register all transactions using the same principles.

7.   In addition, the Organization has made adjustments to its cost base in recent bienniums in an effort to more efficiently support its operations, and has continuously promoted a culture that strives to do more with less. These resource adjustments have contributed to a reduction in the allocation of resources to back-office and support functions. Further improvements are expected, as the Secretariat moves forward with the implementation of these two important initiatives.

8.   Although IPSAS and Umoja are making cost information easier to record and access, in order to apply this cost information to measure the efficiency of its operations, the Organization must determine at what level it should measure the results of its operations. For example, should the Organization use outputs as its unit of measurement, as established in the Secretary-General's bulletin on the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (ST/SGB/2007/8), or should it measure the efficiency of its processes and activities?

9.   In respect to measuring its achievements, the Secretariat is endeavouring to facilitate the intergovernmental committees' understanding of the results the Organization achieves. In this context, a proposed new layout of the performance measures of the indicators of achievement was introduced in the fascicles of the regular programme budget for the biennium 2016-2017.

10.   The new layout of the performance measures for the indicators of achievement provides a more comprehensive description of the evolution of the targets, estimates and actual performance since 2012-2013. The data is not new. However, its consolidation brings together into a single document information that was previously dispersed in different documents, thus facilitating access during the review and approval processes. These changes, together with programme performance reports that are more results-oriented, will provide better and more accurate information on the results that are being achieved by the Secretariat.

11.   Given the limitations of trying to measure efficiency at the results level, the Organization could instead focus on measuring efficiency at the level of outputs and processes, which would be a more objective way of measuring, as outputs are more within its control. There are, however, certain issues that should be considered in this regard.

12. As established in the Secretary-General's bulletin, outputs are considered the final products or services delivered by a programme or subprogramme to end users. In the United Nations context, this includes tangible products such as reports and publications, and services such as servicing meetings or providing security.

13. There are also limitations in using outputs for measuring efficiency. For example, salary costs represent the highest proportion of the total costs of the Organization, or approximately 70 per cent. The only way to relate labour costs to the production of individual outputs would be to introduce time sheets by which every staff member would note the amount of effort that he/she has invested in the production of every output, which is a very costly and time-consuming exercise.

14. In spite of that, the Secretariat is also making progress in this area. A proposed new layout for the outputs will be introduced in the proposed programme budget for the biennium 2018-2019, subject to the endorsement of the General Assembly. This new layout includes two columns, one for the description of the outputs and the other for their quantities. This new approach is intended not only to create a reader-friendly list of outputs, but also to simplify the internal preparation and review of planned outputs, increase the consistency of the output presentation across sections and reduce redundancy with a sharper and clearer description of outputs. The proposed new layout of the outputs, as applied to various budget sections, is shown in prototype form in schedule 18 of the annex to the introduction to the proposed programme budget for the biennium 2016-2017 (A/70/6 (Introduction)).

15. Another option for measuring the Organization's efficiency could be to focus on administrative processes. As stated in the report of the Secretary-General on the framework for a global service delivery model of the United Nations Secretariat (A/70/323), the Secretary-General's goal of creating a global service delivery model envisions the provision of standardized administrative services across the global Secretariat and the possible consolidation of the related administrative structures and services at the global, regional or single-site level, as appropriate. This consolidation under the single platform of Umoja, together with the more comprehensive and detailed data on costs that will be available from IPSAS, will provide the opportunity for the Secretariat to measure its administrative efficiency by processes at the global, regional or single-site level, subject to a decision by Member States at the seventy-first session of the General Assembly.

B. Results-based management

16. As stated in the seventh progress report of the Secretary-General on the enterprise resource planning project (A/70/369), the initial scope of Umoja Extension 2 includes the functionality related to budget formulation, which is being prepared. Following the completion of the design of Umoja Extension 2, the Secretariat will be in a position to develop a more detailed plan for implementing results-based management.

17. In compliance with General Assembly resolution 67/253, by which the Assembly requested the implementation of results-based management in a phased manner, the Secretariat has continued to lay the foundation for the effective implementation of results-based management, as detailed by the activities described below.

1. Improvement of logical frameworks to focus on impact and results

18.   Based on a recommendation by the Committee for Programme and Coordination contained in the Committee's report (A/68/16) and endorsed in resolution 68/20, the General Assembly requested the Secretariat to improve expected accomplishments and indicators of achievement to indicate more clearly the impact of its activities. The Office of Programme Planning, Budget and Accounts proposed that the requested improvements to the logical frameworks be implemented gradually over a number of bienniums and selected five programmes, the objectives, expected accomplishments and indicators of achievements of which would be revised starting with the strategic framework for 2018-2019. Those five programmes are peacekeeping operations; the peaceful uses of outer space; economic and social affairs; gender equality and the empowerment of women; and public information. The Office is working closely with these five programmes to provide advice and guidance during this process.

2. Measuring results through monitoring and reporting

19.   The Office of the Under-Secretary-General for Management continues to strengthen the Secretariat's capacity for programme monitoring and reporting. The Office provided 14 training sessions on programme monitoring and reporting in 2014-2015 in New York, Vienna and Geneva as well as through WebEx, for 227 staff members from 29 departments and offices. The training course was expanded to incorporate the importance of performance measurement for implementing results-based management in the Organization. Programme managers received training on the programme planning, budgeting, monitoring and reporting process, with an emphasis on how to define effective statements of results. Ninety-seven per cent of all training participants found the training "very useful" or "useful" for their immediate monitoring and reporting responsibilities. The training was supported by a newly developed programme performance monitoring and reporting training manual.

20.   The Office of the Under-Secretary-General for Management intends to improve the reporting framework to ensure that the qualitative assessment provides a clear comparison of actual and planned performance. The advisory notes on programme performance communicated to programme managers at the 12- and 24-month marks now request departments and offices to focus on results when reporting performance and to demonstrate how the actual performance reported compares to what was planned.

3. Results of Self-Evaluation Pilot in the Department of Management

21.   As detailed in the fourth progress report of the Secretary-General on the accountability system in the United Nations Secretariat (A/69/676), the Office of the Under-Secretary-General for Management implemented a pilot for strengthening the self-evaluation capacity within the Department of Management. Two of the three planned evaluations — those related to the use of mobile devices and to compliance with performance management requirements — have been completed, and the results and recommendations shared with the senior management of the department. The third evaluation was not completed due to the demanding time commitments undertaken by members of the evaluation team. Although the evaluations produced useful insight and information, they were extremely labour-intensive and time-consuming, and placed a burden on staff who had other full-time responsibilities. For this reason, the Department does not intend to replicate that model for conducting

self-evaluation activities or to recommend it to other departments and offices. The Department believes that self-evaluations should be conducted by skilled practitioners who are dedicated solely or in part to this purpose rather than lay people with limited training whose time is fully occupied with non-related tasks. The specialized nature of the evaluation function and the characteristics of the personnel responsible for these functions have been laid out in the standards for evaluation in the United Nations system spearheaded by the United Nations Evaluation Group. In addition, as per the report of the Office of Internal Oversight Services (A/70/72), the evaluation capacity in the Secretariat in past years has been uneven and inadequate, specifically due to a lack of dedicated personnel and resources, inadequate staff competencies and lack of evaluation culture.

C. Enterprise risk management

1. Risk treatment and response plans

22. In July 2015, the Management Committee approved the risk treatment and response plans developed by the corporate risk owners and asked related working groups to continue the process of implementation of the action plan already under way. Under the guidance of the respective corporate risk owners, working groups are monitoring the work of the responsible risk treatment teams, the effectiveness of the agreed actions in mitigating the risks and the evolving risk profile of the Organization, with periodic reporting to the Management Committee. The Committee continues to play a crucial role in ensuring senior management engagement and leadership of the process.

23. The following paragraphs summarize the action plans for each of the critical risks and provide an update on the progress made thus far. It is important to note that this will be a continuous, ongoing process, as certain plans are of strategic relevance and might require concerted action over a number of years.

Risk 1: organizational structure and synchronization

Corporate risk owner: Deputy Secretary-General

24. This risk is defined as the possibility that the "siloed" structure of the Organization might not be able to support the achievement of strategic and operational objectives in an efficient and effective manner.

25. The risk treatment plan includes:

(a) The identification and use of key opportunities to raise Member States' awareness of cases in which structure does not support objectives and to propose or build support for risk mitigation measures;

(b) The strengthening of existing internal controls to reduce silo mentalities, improve coordination, clarify functions and strengthen mechanisms to work towards common goals;

(c) The use of the strategic planning process to align departmental activities with organizational priorities, identify and reduce harmful gaps or overlaps and more effectively meet the needs of the Organization and Member States, in collaboration with working group 3.

Risk 2: organizational transformation

Corporate risk owner: Under-Secretary-General for Management

26. This risk is defined as the Organization not being at a level of readiness that would allow it to respond to the needs of a changing environment, as a conservative, risk-averse culture might hinder the ability of the Organization to be flexible and responsive to change.

27. The risk treatment plan includes:

(a) The development of a vision and target operating model for the Organization;

(b) The preparation of department- and/or office-level strategies and project plans, articulating how departments will move from the current state to the end state;

(c) The development of benefits realization plans (Umoja and IPSAS);

(d) The clear identification of interdependencies among the various transformation initiatives;

(e) The definition of strategies to mitigate the impact of such initiatives on staff;

(f) The development of strategies for ensuring the participation of field departments and offices in the design and implementation of centrally mandated standards and policies related to information and communications technology strategies, as well as proposals to safeguard the ability of departments to urgently deploy staff in the field in situations of surge, start-up or emergency as part of the mobility framework.

Risk 3: strategic planning and budget allocation

Corporate risk owner: Secretary-General's Chef de Cabinet

28. This risk is defined as the limited ability to identify, evaluate and select among alternatives to provide direction and allocate resources for effective execution in achieving the mission, mandate and objectives of the Secretariat and different departments, having an impact on clarity in decision-making.

29. The risk treatment plan includes:

(a) The definition of proposals to the General Assembly on how the current strategic planning framework could more effectively meet the needs of Member States and the Organization;

(b) The strengthening of the budget formulation process, ensuring effective senior management consultation and direction;

(c) The issuance of guidance on the consistent application of procedures for the submission of programme budget implications to address new or expanded mandates;

(d) The acceleration of the implementation of results-based management and enterprise risk management in the context of limited resources;

(e) The enhancement of the availability of management information for budgetary planning and decision-making.

Risk 4: safety and security

Corporate risk owner: Under-Secretary-General for Safety and Security

30. This risk reflects the possibility that a secure working environment and the protection, promotion and monitoring of the personal safety of staff, volunteers and others at United Nations facilities or in support of United Nations activities might be difficult to assure in certain circumstances.

31. The risk treatment plan includes:

(a) The strategic review of the Department of Safety and Security and the United Nations security management system;

(b) The examination of the strategic priorities of the Inter-Agency Security Management Network;

(c) The identification of duty of care issues to properly support all United Nations personnel when accepting the risk to stay and deliver;

(d) The development of an occupational safety and health risk management system;

(e) The strengthening of the programme criticality framework;

(f) The securing of sustainable funding for the Department of Safety and Security and the United Nations security management system.

Risk 5: extrabudgetary funding and management

Corporate risk owner: Controller

32. The risk relates to the possibility that the inability to obtain extrabudgetary funding may have an impact on the capacity of certain departments to achieve their objectives, potentially destabilizing the Secretariat's operations and affecting the ability to plan strategically.

33. The risk treatment plan includes:

(a) The standardization of donor agreements and the issuance of clear guidance on restrictive conditions and minimum requirement clauses;

(b) The definition of corporate guidance on standard procedures for selecting implementing partners and of a robust contract management process;

(c) The updating of internal control mechanisms that govern the administration of trust funds.

Risk 6: human resources strategy, management and accountability

Corporate risk owner: Assistant Secretary-General for Human Resources Management

34. The risk is defined in terms of the requirement for a well-defined and holistic human resources management strategy that supports the Organization's mission, vision, strategic objectives, values and employee needs.

35.   The risk treatment plan includes:

(a)   The promotion of a common organizational mission, vision, set of values and culture, embraced by leaders and managers and supported by the human resources strategy;

(b)   The development of a well-defined and holistic human resources management strategy, building on the existing human resources management strategies and goals, in order to deliver on evolving mandates.

2. Implementation of the pilot project on enterprise risk management in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

36.   The risk assessment in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO) was completed in April 2015. It identified 21 risk areas, of which 8 were classified as "very high", 9 as "high" and the remaining 4 as "medium". MONUSCO has initiated the development of a risk treatment and response plan that builds on the analysis of risk drivers and takes into consideration the effectiveness of internal controls to mitigate the risks.

37.   Based on the outcome of the pilot project, the Department of Field Support identified key lessons and best practices for replication in other missions, in particular, the importance of coordination between the substantive and mission-support components. The lessons learned and the methodology used in the exercise, which was fully aligned with the Secretariat-wide approach, were shared with mission risk-management focal points during a workshop organized in June 2015 by the Department of Field Support at the Regional Service Centre in Entebbe. The workshop was attended by participants from 17 field operations.

3. The way forward

38.   The adoption of an effective enterprise risk management framework is a journey, a continuous effort to promote the development of a risk-aware culture at all levels through ongoing dialogue. As the environments in which the Organization operates are inherently volatile, and as mandates grow and are increasingly complex, the risk register should be maintained as a living document able to represent the actual risk profile of the Organization.

39.   According to the action plan presented to Member States in the fourth progress report, the field work of the second Secretariat-wide enterprise risk assessment will be completed in 2016.

40.   Inspired by the corporate-level enterprise risk management efforts, some departments — namely the United Nations Office at Vienna, the United Nations Office on Drugs and Crime, the United Nations Office at Geneva and the United Nations Human Settlements Programme — are moving forward with the implementation of enterprise risk management within the scope of their activities, following the Secretariat-wide common policy and methodology. A comprehensive communications programme constitutes an important element to support the implementation of enterprise risk management. It continues to include: (a) an e-learning course available to all staff in Inspira; (b) in-person training sessions and workshops, the most recent of which was held over two days in New York in January 2016 and brought together practitioners, international experts and scholars from across the Organization;

(c) enterprise risk management and internal control web pages on iSeek; and (d) the enterprise risk management community of practice on Unite Connections, which includes over 190 practitioners representing all the entities across the entire United Nations system.

41.   In respect to the peacekeeping area, as indicated earlier to the General Assembly, the Department of Field Support is implementing enterprise risk management in a phased manner. The first phase of implementation has started in five field entities — the United Nations Interim Force in Lebanon, the United Nations Global Service Centre, the United Nations Support Office for the African Union Mission in Somalia, the United Nations Mission in Liberia and the United Nations Interim Administration Mission in Kosovo — and is expected to be completed during the first quarter of 2016.

D.   Personal accountability

1.   Performance management and development

42.   Although the General Assembly has not yet taken a decision on the Secretary-General's most recent proposal to reform the performance management and development system (see A/69/190/Add.2 and Corr.1), the Secretariat continues to strengthen the system. While performance management in the Secretariat has not reached its maturity, the 2014-2015 cycle, which ended on 30 June 2015, marked a significant improvement in compliance. The 2014-2015 cycle applied to 36,659 staff members, including those in the field missions. Of this total, 85 per cent completed their evaluations on time. The insertion of a strategic indicator for performance management compliance in the 2014 senior managers' compacts and the proactive monitoring carried out by the Office of Human Resources Management contributed to this improvement.

(a)   Managerial capacity-building

43.   The performance management team of the Office of Human Resources Management has set up a network of performance management focal points to offer technical support to staff in all entities of the Secretariat. The focal points are trained annually through WebEx in order to keep their support skills up to date. The mandatory Performance Management and Development Learning Programme for Managers and Supervisors has also been redesigned to better meet the needs of managers.

(b)   Monitoring, evaluation and communication

44.   During the 2014-2015 cycle, the performance management team regularly disseminated compliance statistics to departments, offices and missions during the final months of the cycle, including compliance rate updates and data analysis on their department's performance. In addition, a number of communication activities were carried out to raise awareness, giving general performance management guidance that accompanied the performance management activities during the cycle.

(c)   Training and user support

45.   During the 2014-2015 cycle, the Office of Human Resources Management redesigned the mandatory Performance Management and Development Learning

Programme for Managers and Supervisors. The module has been shortened from eight to four hours and provides more hands-on support to managers on preparing meaningful feedback, tackling underperformance and evaluating staff fairly and consistently. In addition, 10 webinars were given to 100 performance management focal points at offices away from Headquarters and in the field during the same period. Performance management guidance has also been embedded in other learning programmes for managers, such as the Management Development Programme, the Leadership Development Programme and the new staff induction training.

2. Senior managers' compacts

46. A key purpose of the senior managers' compacts is to emphasize to senior managers the importance of managerial responsibilities for the efficient and effective use of human and financial resources and the timely implementation of recommendations by oversight bodies. Senior managers appear to be heeding the message and taking action. For example, the percentage of senior managers meeting their recruitment targets has increased from 0 per cent in 2011 to 31 per cent in 2014. Likewise, the number of senior managers meeting their targets for recruiting female staff to senior posts (P-5, D-1 and D-2) increased from 39 per cent in 2011 to 71 per cent in 2014.

47. In addition to the annual review of performance by the Management Performance Board in the context of the compact assessments and the feedback provided to individual senior managers by the Chair of the Board, the Management Committee is now reviewing human resources indicators on a semi-annual basis, as measured by the human resources management scorecard.

48. Performance has also improved in terms of implementing oversight body recommendations. In 2012, only 63 per cent of senior managers met the target for implementing critical recommendations, and 45 per cent met the target for important recommendations. By 2014, these percentages had increased to 80 per cent and 67 per cent, respectively.

49. The standard managerial indicators in the compacts have evolved over the years to address certain managerial weaknesses at a given point in time and to encourage good managerial practices going forward, substituting process-oriented indicators with more results-oriented ones, for example, in the case of the financial management indicator.

50. Progress in performance management for senior leaders serving in field missions has been made through the continuous refinement of the senior managers' compacts in this area. Starting in 2014, the Under-Secretary-General for Peacekeeping Operations has issued a letter each year to each head of mission as a guide to the implementation of the strategic, operational and managerial priorities. Compacts are also in place between heads of mission and their deputies in peacekeeping operations.

51. In his report on the implementation of the recommendations of the High-level Independent Panel on Peace Operations (S/2015/682), the Secretary-General committed to further refining the senior managers' compact for heads of mission, to better reflect their multiple responsibilities, including directing mission-wide strategies and mainstreaming gender.

III. Stewardship of funds

A. Anti-fraud framework

52. The Secretariat is preparing an anti-fraud framework that provides comprehensive information and guidance to United Nations staff, other categories of personnel and entities that have a contractual relationship with the Secretariat on how to prevent, recognize and address fraudulent acts. It will explain the responsibilities of staff members and other United Nations Secretariat personnel in respect to the framework and establish certain principles to which third parties in contractual arrangements with the Secretariat, including vendors, suppliers and implementing partners, must adhere.

53. The framework will reiterate the zero-tolerance approach to fraudulent acts by the Secretariat, understood as the full commitment of the Secretariat to pursue all credible allegations of fraudulent actions involving any individual covered by the framework and to ensure that appropriate administrative/disciplinary measures or contractual remedies are to be applied when the allegations are substantiated, including the referral of cases to national authorities when appropriate.

54. The framework will also include a definition of fraud and corruption as they apply to the Secretariat; the responsibilities of every concerned actor from the Secretary-General downward in respect to the framework; the fraud prevention measures the Secretariat has in place, such as the code of conduct, risk management and internal control systems, and measures for the prevention of conflicts of interest; the measures the Secretariat has in place or is establishing to mitigate the risk of fraud in the scope of its activities with third parties; the mechanisms for reporting fraud and those of the Secretariat for investigating allegations; the remedial actions to be taken in the case of substantiated fraudulent actions; and the mechanisms for reporting these actions to Member States.

55. The framework should be read in conjunction with two annexes: annex I, entitled "Complementary information", which will include information on regulations, rules and policies that govern certain activities, such as outside activities, conflicts of interest, the receipt of gifts and hospitality, and the use of the United Nations emblem; and annex II, entitled "Reference material", which will include the most relevant administrative issuances that govern the functioning of the Organization.

56. A working group has been assigned the responsibility of preparing the framework with the participation of different departments and offices of the Secretariat, working under the coordination of the Office of the Under-Secretary-General for Management. The date of issuance of the framework is projected to be 31 March 2016, according to the following schedule:

(a) Completion date for the preparation of the first draft by the Working Group: 31 December 2015;

(b) Completion date for the presentation of the draft framework to the Office of Legal Affairs, Office of Human Resources Management, Office of Programme Planning and Budget and Ethics Office: 31 January 2016;

(c) Completion date for the presentation of the draft framework to the oversight bodies: the Office of Internal Oversight Services, the United Nations Board

of Auditors, the United Nations Joint Inspection Unit and Independent Audit Advisory Committee: 28 February 2016;

(d) Completion date for the final adjustments to the framework by the Working Group as a result of the consultation process with the oversight bodies and clearance by the Office of Legal Affairs: 31 March 2016.

B. Findings and recommendations of the oversight bodies

1. Analysis of high-risk recommendations issued by the oversight bodies since 2010

57. Since 2010, the United Nations Board of Auditors has issued 57 main recommendations on the United Nations (see A/65/5 (Vol. I) to A/70/5 (Vol. I)) and 97 main recommendations on the peacekeeping operations (see A/65/5 (Vol. II) to A/69/5 (Vol. II)). As at 30 November 2015, the overall implementation rates, as confirmed by the Board, are as follows: 33 (58 per cent) for recommendations on the United Nations and 76 (78 per cent) for recommendations on the peacekeeping operations. In the case of the Office of Internal Oversight Services, during the same period, 289 reports were issued, which contained 769 critical recommendations. The overall implementation rate is 709 (92 per cent).

58. Although all recommendations by oversight bodies are imperative, the United Nations Administration considers the main recommendations by the Board of Auditors and the critical recommendations by the Office of Internal Oversight Services as high risk and emphasizes their implementation as a high priority. The following analysis focuses specifically on these two types of recommendations, which have been classified by audit focus areas, as shown in table 1.

Table 1
High-risk recommendations issued by the Office of Internal Oversight Services and the Board of Auditors[a]

Audit focus areas	Office of Internal Oversight Services, critical		Board of Auditors, on peacekeeping operations		Board of Auditors, on the United Nations		Combined	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Compliance and project management	211	27	10	10	6	11	227	25
Procurement and contract management	115	15	22	23	4	7	141	15
Human resources management	91	12	9	9	5	9	105	11
Risk management and internal control	83	11	9	9	9	16	101	11
Programme planning and performance reporting	69	9	12	12	13	23	94	10
Expenditure management	62	8	6	6	4	7	72	8
Safety and security	62	8	1	1	–	–	63	7
Inventory management	44	6	1	1	2	4	47	5
Business transformation	11	1	26	27	2	4	39	4
Other	21	3	1	1	12	21	34	4
Total number of high-risk recommendations:	**769**		**97**		**57**		**923**	

[a] Classification of the Board of Auditors' recommendations into these categories made by the Office of the Under-Secretary-General for Management.

59. The above categorization suggests that: (a) compliance and project management and (b) procurement and contract management were two areas of particular focus in audits by the Office of Internal Oversight Services. In respect to the Board of Auditors, attention was focused on business transformation, in its audits of peacekeeping operations; and risk management and internal control, and programme planning and performance reporting during its audits related to Volume I. Other areas that have drawn similar interest from the Board and the Office are human resources management and expenditure management.

2. High-risk recommendations more than a year old

Table 2
High-risk recommendations more than a year old

Source	More than a year old			Less than a year old			Combined		
	Closed and implemented	In progress	Total	Closed and implemented	In progress	Total	Closed and implemented	In progress	Total
Report of the Board of Auditors on the United Nations	33	14	47	–	10	10	33	24	57
Report of the Board of Auditors on the peacekeeping operations	72	3	75	4	18	22	76	21	97
Office of Internal Oversight Services reports	683	24	707	26	36	32	709	60	769
Total	**788**	**41**	**829**	**30**	**64**	**94**	**818**	**105**	**923**

60. According to the report of the Board of Auditors on the United Nations for 2014 (A/70/5 (Vol. I)), of the 47 main recommendations issued since 2010 and more than a year old, 33 (70 per cent) have been implemented by the Administration or closed by the Board. Fourteen of them (30 per cent) are still pending. Similarly, according to the report of the Board of Auditors on peacekeeping operations for the period from 1 July 2013 to 30 June 2014 (A/69/5 (Vol. II)), 75 main recommendations were issued, of which 72 (96 per cent) were implemented or closed. The Office of Internal Oversight Services has issued 707 critical recommendations since 2010 that are more than a year old, of which 683 (97 per cent) have been implemented or closed as at 30 November 2015.

Figure 2
Implementation of main recommendations of the Board of Auditors on the United Nations that are more than a year old
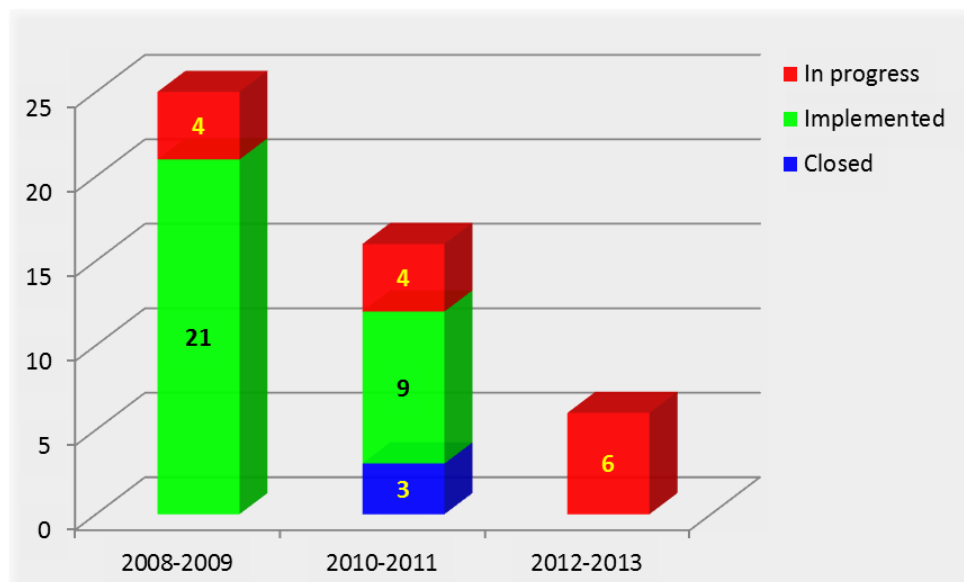

Figure 3
Implementation of main Board of Auditors recommendations on peacekeeping operations that are more than a year old
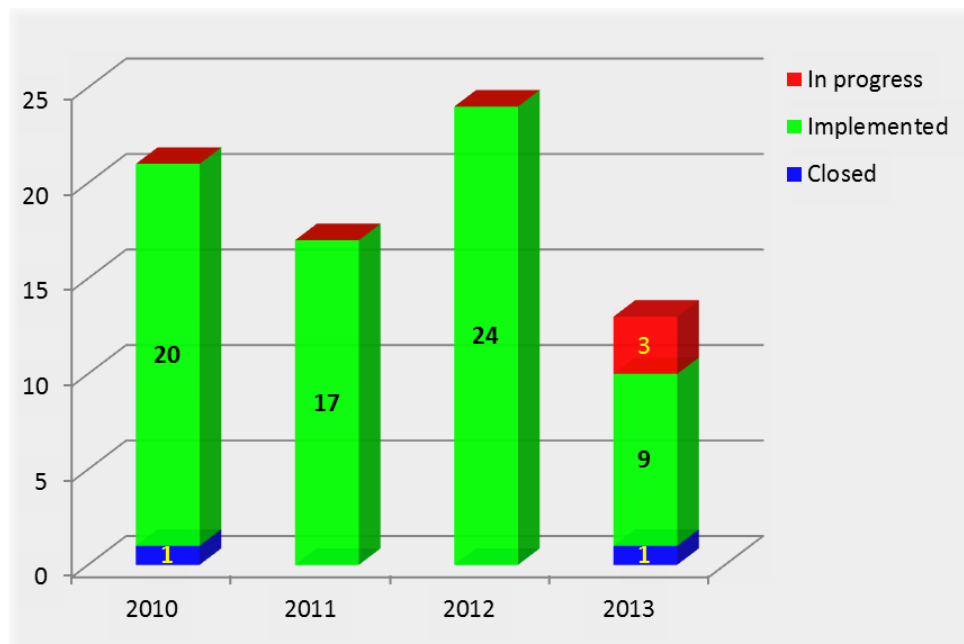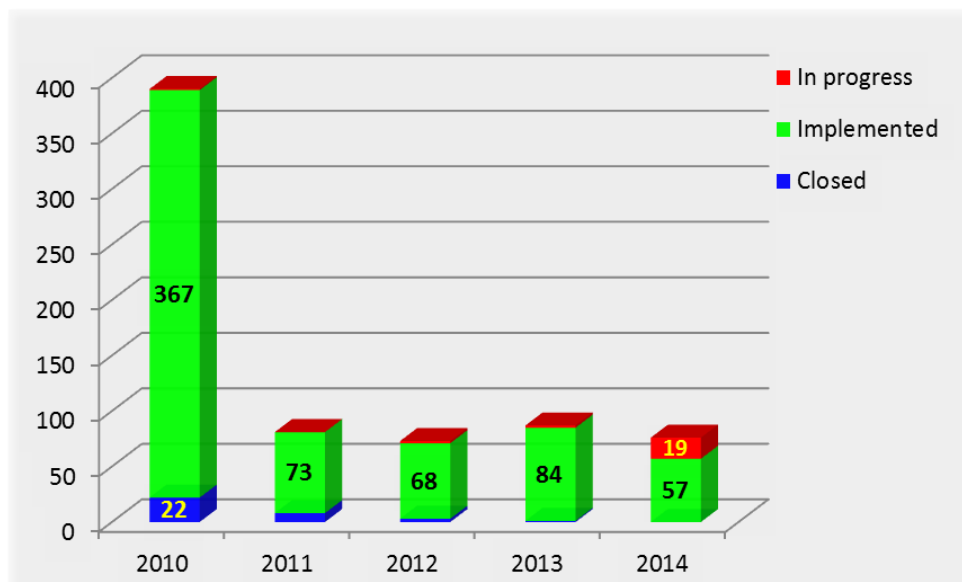
Figure 4
Implementation of critical recommendations by the Office of Internal Oversight Services that are more than a year old

61. In the aggregate, the charts above show a positive trend: the overall number of high-risk recommendations under review decreased by a factor of almost four in 2014 in comparison to 2010. Also, of those high-risk recommendations issued since 2010 and more than a year old, only 41 (5 per cent) remain outstanding. Such a positive improvement in implementation is due to the commitments of the various departments and offices of the Secretariat and the proactive role of the Management Committee in following up on and emphasizing the importance of the implementation of main and critical recommendations by programme managers.

62. The Administration is addressing the following issues, which were highlighted among the 41 outstanding recommendations that are more than a year old: enterprise risk management; the reduction of time taken to certify invoices; improvement in the accuracy of payable/receivable balances; Umoja implementation challenges; the preparation of an action plan addressing the key lessons identified in business transformation; results-based management; the availability of more detailed commentary on holdings of investments and cash pools as part of disclosures in future financial statements; the development of a skills strategy for staff in several areas; defining clear responsibilities and resources; the optimization of prompt payment discount rates during contract negotiations; the development of the remaining modules and the associated procurement strategy within the implementation of the global field support strategy; and the identification of deficiencies in acquisition planning and global asset management.

63. The Administration endeavours to implement all outstanding recommendations as soon as possible based on the availability of adequate resources or its influence with regards to external factors.

IV. Compliance

A. Ethics and accountability

64.   The Ethics Office promotes ethical "tone at the top" and identifies conflicts of interest for mitigation through the administration of the financial disclosure programme and the voluntary public disclosure initiative. It advises on ethical matters and reviews complaints relating to protection against retaliation for disclosures of wrongdoing. It offers ethics advice in confidence to staff on professional conduct and to management on business conduct. Together with the Office of Human Resources Management and other offices, the Ethics Office provides outreach, training and briefings on ethics-related issues, striving to enhance the integrity of the Organization while strengthening the independence and objectivity of the Office.

65.   The Ethics Office launched the leadership dialogues to ensure that all staff members participate in annual ethics education. The 2015 topic, "Fulfilling our mission: taking individual responsibility", is aimed at promoting a culture in which staff members at all levels assume ownership for decisions and actions and accept the consequences of such actions, including by demonstrating a willingness to admit mistakes.

66.   The Director of the Ethics Office continues to conduct confidential ethics induction briefings with incoming and newly appointed Assistant Secretaries-General and Under-Secretaries-General. The Office reaches out to the majority of senior staff within 12 months of their appointment. This service has also been extended to experts on mission.

67.   Together with other relevant offices, the Ethics Office is contributing to the development of an anti-fraud policy for the Secretariat. Its outreach to staff on issues related to fraud and corruption is ongoing, through the development of a basic anti-corruption training course. This module will provide all staff with initial exposure to the basic concepts of fraud and corruption, and their prevention, detection and reporting.

B. Strengthening accountability in field missions

68.   In the peacekeeping area, preventing and taking strong action to combat impunity with regard to all forms of misconduct and, most importantly, sexual exploitation and abuse by its personnel, is a very high priority. In respect of the latter, the programme of action set out in the 2015 report of the Secretary-General on special measures for protection from sexual exploitation and sexual abuse (A/69/779), concerning some 40 initiatives designed to strengthen prevention, response and remediation, is being implemented. A number of these initiatives are aimed at strengthening accountability. A full update will be provided in the context of the next report of the Secretary-General on special measures for protection from sexual exploitation and sexual abuse.

69.   The policy on accountability for conduct and discipline in field missions was adopted by the Departments of Political Affairs, Peacekeeping Operations and Field Support in August 2015 and now applies to all peacekeeping and special political missions. The policy serves as an overarching document to consolidate information on standards of conduct applicable to all categories of personnel. It sets out the

framework in place to ensure accountability for the conduct and discipline of all personnel serving in peacekeeping and special political missions and sets forth the roles and responsibilities of, and interactions among, each component assigned with responsibilities regarding the conduct and discipline of all personnel in field missions, both in those field missions and at headquarters.

70. Annual quality assurance exercises continue to be conducted by field missions in order to improve the handling of cases of reported misconduct and to allow for a reduction in delays by taking a regular inventory of the status of open cases and re-examining possible reasons for delay or inaction. Recent enhancements to the Misconduct Tracking System maintained by the Department of Field Support also enable more efficient and streamlined case management. Further, the technical interface to allow for vetting for prior misconduct against information recorded in the Misconduct Tracking System and to ensure that personnel previously found to have committed misconduct do not serve again in the United Nations in any capacity is scheduled to be completed by the middle of 2016.

71. Finally, the Department of Peacekeeping Operations and the Department of Field Support have continued with the implementation of an accountability framework focused on the areas under their responsibility. This framework details the methodology for the assessment of the accountability of field missions and their senior managers, as well as corresponding support by conduct and discipline personnel, through a series of indicators and corresponding expectations concerning the performance of activities related to prevention, enforcement and remedial actions. Quarterly reports have been submitted since September 2014, and peacekeeping missions have prepared and submitted the first annual reports to cover the period from 1 July 2014 to 30 June 2015.

C. Strengthening accountability in procurement

1. Training and professionalization

72. The Procurement Division of the Department of Management continues to offer seven online courses for procurement, requisitioning and contract management offices, offering procurement education at a basic level with the phase one courses and an advanced level with the phase two courses. While the phase one training is mandatory for procurement staff, the courses are open to all United Nations staff members. A total of 6,401 certificates were issued to staff members: 4,707 certificates to staff from the field missions; 344 to staff from Geneva, Nairobi and Vienna; 677 to staff at Headquarters; and 673 to staff from other offices and agencies.

73. In addition, the Regional Procurement Office offers continuous procurement training programmes to missions in order to further enhance the expertise of those staff involved in acquisition. In this regard, in 2013, the Office introduced a procurement capacity-building programme, which was offered to more than 200 staff in the United Nations Mission in South Sudan, MONUSCO, the African Union-United Nations Hybrid Operation in Darfur and the United Nations Interim Security Force for Abyei. The programme was expanded to the United Nations Support Office for the African Union Mission in Somalia and the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic in 2014.

2. Compliance monitoring of the procurement function

74. The Procurement Division established an internal self-evaluation and assessment capability to continuously review the Secretariat's procurement activities in order to ensure that there are effective and efficient mechanisms at Headquarters to monitor the Secretariat's procurement activities worldwide and the capacity to perform procurement functions properly. Annual self-evaluation and assessment reviews are performed in the Procurement Division and the missions, and reports are shared with administrative and functional heads, with recommendations for improvement.

75. The compliance monitoring programme promotes adherence to the Financial Regulations and Rules, the United Nations Procurement Manual and other administrative instructions, as well as internationally recognized best practices in procurement. By strengthening the internal control framework for procurement activities, the Organization mitigates the risk and impact of inefficiencies, ethical violations and other improprieties.

3. Headquarters Committee on Contracts

76. The Headquarters Committee on Contracts reviews proposed procurement awards above a certain financial threshold and advises the Assistant Secretary-General of the Office of Central Support Services in the Department of Management on whether the procurement process is in line with the Financial Regulations and Rules and conforms to the review criteria of best value for money; fairness, integrity and transparency; effective international competition; and the interest of the Organization. Compliance with the procurement principles during all phases of the solicitation helps ensure that organizational goals are achieved and risks reduced.

77. While reviewing contract awards, the Committee may identify systemic issues, inconsistent approaches or trends in the acquisition process. It may then request clarification of procedure or suggest areas for improvement by including other recommendations, with a view to reducing ambiguities, improving procedures and flagging issues for further consideration by the Assistant Secretary-General. In each of the previous five years, the Committee has issued, on average, 160 other recommendations. In 2015, such recommendations related primarily to contract negotiation — in terms of reducing costs — and contract management.

78. To promote best value for the money for the Organization, the Committee may recommend that a contract be awarded to a different vendor at lower cost; that the Assistant Secretary-General authorize negotiations with a vendor to lower prices; or that a requirement be rebid entirely. In 2015 (through 15 October), Committee recommendations approved by the Assistant Secretary-General and implemented by procurement staff members resulted in cost avoidance of $5,823,739 for the Organization.

79. In 2012, an increased delegation of procurement authority, from $500,000 to $1 million for core requirements, to peacekeeping and special political missions led to increased efficiency in procurement, but also created additional responsibilities at decentralized levels. A significant number of procurement actions are now decided locally, without reference to Headquarters. This implies that local committees on contracts established at the local level have a major role in vetting solicitations and providing solid advice to local decision makers.

80. To promote the smooth and effective functioning of local committees on contracts, the Committee secretariat has trained a total of 4,078 staff members in its basic and advanced courses since 2007. The training increases understanding among all stakeholders of the role and functioning of review committees, improves the quality of case presentations and enhances the vetting capacity of local committee members.

81. The Committee secretariat also has a monitoring function, as set out in document ST/AI/2011/8. It reviews and supports the activities of local committees on contracts through regular exchange of information and collection of data. The Committee secretariat collaborates with the Field Procurement Liaison Team to conduct regular field assistance missions to peacekeeping missions. Since field assistance missions were launched in 2010, the team has visited three to four missions annually. They have reviewed local committee on contract functioning, including their vetting capacity, committee dynamics and workflow; observed committee meetings and provided real-time coaching to committee members; and engaged with all stakeholders to clarify roles, identify strengths and weaknesses and improve communications and teamwork.

D. Holding staff accountable for improper decisions

82. During the most recent reporting period, from 1 July 2014 to 30 June 2015, a total of 60 disciplinary measures were imposed on 64 staff members. The categories of theft/misappropriation and assault represented the largest number of cases, with 13 (22 per cent) related to theft/misappropriation and 10 (17 per cent) related to assault. As a result of the 13 cases related to theft/misappropriation, which involved 16 staff members, 3 staff members were dismissed, and 13 were separated from service. The next two largest categories of cases related to misuse of information and communications technology resources (12 per cent), involving 7 staff members, 4 of whom were dismissed, 1 separated from service and 2 subject to other disciplinary measures; and fraud and misrepresentation (12 per cent) also involving 7 staff members, 1 of whom was dismissed, 5 separated from service and subjected to other disciplinary measures.

83. The remaining 23 cases consisted of: 6 cases of misuse of United Nations assets (10 per cent of total cases), involving 7 staff members, 2 of whom were dismissed, 2 separated from service and 3 subject to other disciplinary measures); 5 cases of inappropriate or disruptive behaviour (8 per cent of total cases), involving 5 staff, 3 of whom were dismissed, 1 separated from service and 1 subject to other disciplinary measures; and 12 cases in other categories (20 per cent of total cases) involving 12 staff members, 3 of whom were separated from service and 9 subjected to other disciplinary measures.

V. Enablers: International Public Sector Accounting Standards and Umoja

84. The International Public Sector Accounting Standards and Umoja are important "enablers" for building a more accountable and efficient United Nations. IPSAS serves this function by providing comprehensive, detailed and frequent information on the general financial health of the Organization, with particular emphasis on assets and liabilities; and more comprehensive information on costs. Umoja contributes to accountability and efficiency by providing management with an integrated and detailed view of the overall performance of the Organization's various functional

areas and by operating as a single platform that enforces a common interpretation of the regulations, rules and policies related to the management of resources.

A. International Public Sector Accounting Standards

85.   There is clear evidence that management and staff have started using IPSAS-based information for management purposes, and there is generally a better understanding of the usefulness and value of financial information. Specific trainings are under development that are geared towards further increasing managers' understanding, and that of staff at large, of the information contained in the financial statements. Such understanding and knowledge will be crucial, and will ultimately drive and increase ownership of financial information by managers and, hand in hand with ownership, increase accountability for financial results and performance.

86.   In order to better capture and reap the benefits regarding enhanced accountability and to further foster a culture of accountability, as an initial step, several financial management areas have been defined against which departments, offices and missions will have to report regularly. These areas comprise, inter alia, various reconciliation aspects and tasks, regular monitoring and reviews of open items, accounts receivable, assets, vendors, invoices and related follow-up actions. Initial findings are very promising. Organization-wide, IPSAS has triggered regular review and analysis in these areas, and certain actions are being taken by departments, offices and missions to review financial management areas and issues more frequently with a view to better management.

87.   One of the success factors for realizing IPSAS benefits is a fully deployed and functioning Umoja solution. During the ongoing IPSAS benefits realization efforts, it has become clear that, in order to further enhance accountability, readily available data and financial information will be critical. Availability and visibility of financial information for management and decision-making purposes will be equally crucial for both senior managers and staff at large in terms of taking ownership of results, which is a central element underpinning accountability. The business intelligence module of Umoja will thus gradually receive more attention as the system stabilizes, because it will provide the means for creating the management reports required for managing the Organization differently, more actively and thus more accountably in the future.

B. Umoja

88.   With the latest deployment of Umoja in November 2015, the entire global Secretariat has now transitioned to Umoja as its new central administrative solution, enabling a more modern, efficient and transparent way of managing the Organization's resources. This means that more than 31,000 staff in over 400 locations worldwide are using Umoja to process and manage transactions. After decades of working in functional and organizational silos, different entities are beginning to work more closely together, as Umoja is a fully integrated, enterprise-wide solution that requires common practices.

89.   Umoja strengthens accountability by providing better internal controls across the broad range of financial, procurement and staffing processes, promoting consistency and transparency in the application of rules and operating procedures in all administrative disciplines throughout the Organization. In addition to the immediate

benefits of improved accuracy and availability of datasets, Umoja introduces business intelligence as a means to harness the plethora of available information, which strengthens the Organization's ability to plan and make decisions. For the first time, the Organization is gaining full visibility into its operations, enabling decisions to be based on data and an informed risk-management approach.

90. Examples include the following:[1]

(a) Master data management: the establishment of the Secretariat-wide master data management mechanism allows for better data governance, better stewardship of assets, the standardization of equipment and services, bigger volume discounts and reduced administrative costs in managing and reconciling multiple databases for vendors, partners, human resources, materials and services;

(b) Timeliness of data: data is now processed instantly instead of moving through multiple systems and interfaces. All users with enterprise roles within the Secretariat, regardless of their geographic or business area, can access a common database;

(c) Accurate and real-time financial data: prior to Umoja, cash was allocated to field offices on a quarterly basis, making it difficult for managers to effectively and prudently manage their budgets. Managers now have access to comprehensive and real-time financial information, including consolidated data related to separate trust funds;

(d) Travel benefits: the capture of Secretariat-wide travel data in one common database will improve the United Nations ability to negotiate better corporate agreements with service providers/airlines. Moreover, it enables a more focused management of travel resources, including reporting;

(e) Real estate benefits: following the adoption of the Umoja real estate management module by all Secretariat entities, all data related to real estate is recorded and maintained in one common solution. These improvements enhance transparency and integration across multiple functions, increase the visibility and efficiency of facility and equipment maintenance and improve control over lease deadlines to ensure more timely negotiations, resulting in greater real estate space optimization and expected financial savings;

(f) Equipment and asset management benefits: All equipment and assets are recorded and maintained in one common solution, thereby increasing transparency and standardization, and supporting the IPSAS requirement of reporting the assets of the Organization. The visibility of all assets promotes their optimal utilization across the Organization. Managers can allocate resources where they are most needed and prevent surplus assets.

VI. Recommendations to the General Assembly

91. **The General Assembly is requested to take note of the progress of the Secretariat in strengthening its accountability system, as described in the present report.**

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[1] For a more complete list of tangible benefits from Umoja, see A/70/7/Add.19, annex.