Section 28A
Office of the Under-Secretary-General for Management

Table 31
Requirements by component and source of funds

(1) Regular budget

<table>
<thead>
<tr>
<th>Component</th>
<th>Resources (thousands of United States dollars)</th>
<th>Peace</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2006-2007 estimate</td>
<td>Change</td>
</tr>
<tr>
<td>A. Executive direction and management</td>
<td>2 805.4</td>
<td>—</td>
</tr>
<tr>
<td>B. Programme of work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Management, Services and administration of justice</td>
<td>4 117.0</td>
<td>5 702.2</td>
</tr>
<tr>
<td>2. Secretariat of the Fifth Committee and the Committee for Programme and Coordination</td>
<td>1 327.4</td>
<td>—</td>
</tr>
<tr>
<td>C. Programme support</td>
<td>3 723.9</td>
<td>—</td>
</tr>
<tr>
<td>Subtotal</td>
<td>11 973.7</td>
<td>5 702.2</td>
</tr>
</tbody>
</table>

(2) Extrabudgetary

| Subtotal | 5 314.9 | — | 5 314.9 | 8 | — | 8 |

Total (1) and (2) | 17 252.6 | 5 702.2 | 22 954.8 | 54 | 7 | 61 |

Additional resource requirements: $5,702,200

105. In paragraph 163 of the 2005 World Summit Outcome, the General Assembly called upon the Secretary-General to submit proposals for implementing management reforms to the Assembly for its consideration and decision in the first quarter of 2006. A follow-up mechanism is in place to develop proposals for a full review of the budgetary, financial and human resources policies, regulations and rules under which the Organization operates with a view to aligning them with the current and future needs of the Organization and to enable the Secretary-General to carry out his managerial responsibilities effectively. It is expected that the review will require three months. It will be conducted through a broad consultative process, including both the United Nations and external expertise. The report will be submitted to the Assembly at its resumed sixtieth session in the first quarter of 2006.

106. In paragraph 164 of the 2005 World Summit Outcome, the General Assembly requested that the Secretary-General undertake an independent external evaluation of the auditing and oversight system of the United Nations and the specialized agencies, including the roles and responsibilities of management, with due regard for the nature of the auditing and oversight bodies in question, to be conducted within the context of the comprehensive review of the governance arrangements. Furthermore, it was requested that the expertise and capacity of the Office of Internal Oversight Services be reviewed and its resources in respect of audit and investigations be significantly strengthened as a matter of urgency.

107. It is foreseen that the services of a consulting firm well known in the field of management consulting will be engaged to conduct the requested independent external evaluation. The
evaluation will consist of two main elements: a system-wide review of governance and oversight within the United Nations, funds, programmes and specialized agencies and an external evaluation of the Office of Internal Oversight Services. With regard to the independent external evaluation of the United Nations system organizations, it is the intention of the Secretary-General to consult with the executive heads of those organizations through the High-Level Committee on Management of the United Nations System Chief Executives Board for Coordination on the scope and modalities of that review. The evaluation will begin in 2005, will be completed during the first half of 2006 and will be reported to the General Assembly at its resumed sixtieth session in June 2006.

108. The scope of the independent external evaluation will be twofold: to identify best international practices in both areas and to review mission statements, objectives, mandates and related founding documents in order to determine the optimal models applicable to United Nations system organizations. As such, the resulting report is expected to clarify the roles and responsibilities of management with respect to Member States, governing bodies, staff and other stakeholders, define necessary inter-agency organs, define and recommend the required level of committees, boards and other management organs, propose measures aimed at increasing the transparency of the decision-making process at all levels within the organizations and identify appropriate key performance indicators for the organizations’ secretariats.

109. The external evaluation of OIOS is expected to result in the development of an implementation plan for the strengthening of OIOS services, defining the level of operational and managerial independence of OIOS, the scope of its services and responsibilities, its optimal organizational structure and funding and related performance measures. The terms of reference of the OIOS evaluation will ensure that the results will be able to be incorporated into the comprehensive review of governance arrangements. To this end, it is foreseen that the evaluation exercise will be overseen and monitored by a steering committee composed of five independent experts with expertise in the area of national audit and oversight. The steering committee would: (a) review and confirm the terms of reference of the evaluation; (b) ensure the adherence of the evaluation exercise to the terms of reference of the review; (c) oversee the process of the evaluation; and (d) ensure that the results are incorporated into the comprehensive review of the governance arrangements.

110. Within the overall context of the management reform and strengthening of accountability of the Secretariat, a number of measures are foreseen for preventing fraudulent and corrupt acts by staff and third parties involved in the implementation of United Nations activities. A short- and medium-term plan of action to deal with the problem at the Secretariat has been developed. That plan was validated by an independent expert specializing in fraud prevention and anti-corruption measures. The plan of action includes the development of policies on fraud and corruption prevention at the Secretariat and various related management activities, training and education of staff through special programmes and workshops, establishment of a system of sanctions and establishment of relevant capacity for mitigation, investigation, control and reporting internally and to the General Assembly on progress achieved in addressing the problem of fraud and corruption in the Secretariat.

111. The Department of Management will be a leading office in organizing the implementation of the plan of action, while the Office of Internal Oversight Services will be involved in risk assessment and the detection, analysis, investigation and reporting of acts of fraud and corruption. In order to ensure a leading role of the Department of Management in these activities, the establishment of an office of fraud prevention within the Office of the Under-Secretary-General for Management is foreseen. The office would be headed by a Chief Fraud Prevention Officer, who would report on the implementation of anti-corruption and fraud prevention activities to the Under-Secretary-General for Management and the Secretary-General. The office would be staffed by four posts at
the Professional level and above (1 D-2, 1 D-1, 1 P-5 and 1 P-4) and three General Service (Other level) posts. The capacity of the office would be supplemented by resources for the employment of outside expertise and for its operational requirements.

112. The Chief Fraud Prevention Officer would oversee the Organization’s anti-corruption and fraud prevention programme, functioning as an objective authority to review and evaluate the Organization’s fraud prevention and anti-corruption policy and assist in its implementation by managers, staff and third parties engaged in the Organization’s operations. He/she would advise the Secretary-General, through the Under-Secretary-General for Management, in reviewing and updating the United Nations fraud prevention and anti-corruption policy, monitor the fraud risk profile of the Organization, provide strategic advice on matters relating to fraud and corruption, follow up on the fraud and corruption cases under investigation by the Investigations Division of OIOS, develop, in cooperation with the Office of Human Resources Management, and oversee the implementation of basic training on fraud and corruption prevention, coordinate efforts on fraud and corruption prevention with the United Nations funds and programmes and report on programme implementation as required.

113. The following modifications to the programme of work set out in the proposed programme budget for the biennium 2006-2007 (A/60/6 (Sect. 28A)) would be required:

Paragraph 28A.19

(a) (ii) At the end of the subparagraph add annual reports to the General Assembly on implementation of the fraud and corruption prevention programme

(b) Add the following subparagraphs:

(vii) Management reviews mandated by the 2005 World Summit Outcome, including a review of the budgetary, financial and human resources policies, regulations and rules of the United Nations with a view to aligning them with the current and future needs of the Organization (2006); an independent external evaluation of the United Nations and specialized agencies’ auditing and oversight system, including an external evaluation of the Office of Internal Oversight Services (2006);

(viii) Development, maintenance and revision of procedures for the general operation of the Organization’s fraud prevention programme, including provision of guidance to programme managers on the implementation of policies and on fraud and corruption issues; development, dissemination and communication of the fraud and corruption prevention policies throughout the Organization so that all staff members and third parties are aware of their respective responsibilities; follow-up on fraud and corruption cases under investigation by the Investigations Division of OIOS; oversight of training activities on fraud and corruption prevention and development, in cooperation with the Office of Human Resources Management, of specific training programmes targeting areas of higher risk; identification of potential areas of vulnerability and risk; development of corrective action plans for the resolution of problematic issues; annual reports on the resolution of fraud and corruption cases to the Secretary-General.
Table 32
Resource requirements

<table>
<thead>
<tr>
<th>Category</th>
<th>2006-2007 estimate</th>
<th>Change</th>
<th>Total</th>
<th>2006-2007 estimate</th>
<th>Change</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular budget</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post</td>
<td>11 297.6</td>
<td>1 104.4</td>
<td>12 402.0</td>
<td>46</td>
<td>7</td>
<td>53</td>
</tr>
<tr>
<td>Non-post</td>
<td>676.1</td>
<td>4 597.8</td>
<td>5 273.9</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Subtotal</td>
<td>11 973.7</td>
<td>5 702.2</td>
<td>17 675.9</td>
<td>46</td>
<td>7</td>
<td>53</td>
</tr>
<tr>
<td>Extrabudgetary</td>
<td>5 314.9</td>
<td>—</td>
<td>5 314.9</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>17 282.6</td>
<td>5 702.2</td>
<td>22 984.8</td>
<td>46</td>
<td>7</td>
<td>53</td>
</tr>
</tbody>
</table>

114. The provision of $5,702,200, including a non-recurrent amount of $4,354,800, would provide for funding of: (a) the establishment of seven (1 D-2, 1 D-1, 1 P-5, 1 P-4 and 3 General Service (Other level)) posts for a new office of fraud prevention in the Department of Management ($1,104,400); (b) consultancy services to be employed for the review of and relevant recommendations on the budgetary and human resources policies, regulations and rules under which the Organization operates ($132,500); (c) contractual services for the engagement of an institutional consultancy to conduct an independent external evaluation of governance and oversight within the United Nations, funds, programmes and specialized agencies, as well as of OIOS ($3,633,600) and for special projects related to fraud and corruption prevention ($126,000); (d) general temporary assistance to provide administrative and secretarial support to the above-mentioned reviews in 2006 throughout the process and at the time of preparation of the relevant reports ($286,400); (e) travel and per diem requirements for members of the steering committee travelling to Headquarters for periodic meetings to oversee the independent external evaluation of OIOS ($177,300); and (f) operational requirements associated with conducting the independent external evaluation of governance and oversight of the United Nations system and activities of the office of fraud prevention ($242,000).
Department of Management: Office of the Under-Secretary-General
Organizational structure and post distribution for the biennium 2006-2007

Office of the Under-Secretary-General

Secretariat of the Fifth Committee and the Committee for Programme and Coordination
  RB:
  1 D-2
  1 P-5
  1 GS (PL)
  2 GS (OL)

Principal Office
  RB:
  1 D-1
  2 P-5
  3 GS (OL)

Office for Oversight and Internal Justice
  RB:
  1 D-1
  1 P-4
  2 P-5
  1 P-3
  1 P-4
  1 GS (OL)
  3 GS (OL)

Review and appeals
  RB:  1 D-2
  1 P-5
  1 P-5
  1 P-4
  5 GS (OL)

Executive Office
  RB:
  1 D-1
  1 P-5
  2 P-4
  1 P-3
  3 GS (PL)
  9 GS (OL)

Office of Fraud Prevention
  RB:
  1 D-2
  1 D-1
  1 P-5
  1 P-4
  3 GS (OL)

Abbreviations: RB, regular budget; XB, extrabudgetary; USG, Under-Secretary-General; GS, General Service; PL, Principal level; OL, Other level.

* New post proposed in A/60/6 (Sect. 28A).
  Redevelopment of a P-4 post in exchange for a P-5 post redeployed outside the Department.
  New posts proposed in the present document.