



TO: Ms. Fatoumata Ndiaye
A: Director, Internal Audit Division
Office of Internal Oversight Services

DATE: 9 May 2011

THROUGH: Neeta Tolani, Director *N. Tolani*
S/C DE: Office of the Under-Secretary-General for Management

FROM: *M. E. Baez*
Mario E. Baez, Chief
DE: Policy and Oversight Coordination Service
Department of Management

SUBJECT: **Comments on audit of the planning and budgeting of the support account in DPKO
and DFS (AP2010/615/05)**
OBJET:

1. The Department of Management (DM) is pleased to provide the comments on the above-referenced report.

Paragraph 3

2. It is suggested for the OIOS to revise the indication of financial period to 2007/08 from 2007-2008 and to 2010/11 from 2010-2011 to differentiate the one-year peacekeeping financial period from the two-year programme budget financial period. This should be applied to all subsequent paragraphs that make reference to financial periods.

3. We request that the word "evolvment" be replaced with "evolution", consistent with previous references included in other official documents.

Paragraph 4

4 Please replace "Peacekeeping Finance Division" with "Peacekeeping Financing Division."

5. As this is an audit of the planning and budgeting of the support account in DPKO and DFS, this paragraph should first identify all key players and clarify their roles within the two departments. The paragraph also gives a very brief description of core functions of the Office of Programme Planning, Budget and Accounts (OPPBA) and the Peacekeeping Financing Division (PFD) of DM. If DM is introduced as part of a wider scope of this audit, the mandate of OPPBA and PFD in the budgetary process should be elaborated and the relationship between DM and DPKO/DFS should be explained.

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Paragraph 6

6. OIOS refers in this paragraph to "the support account budgeting process." Please note that the budgeting process involves both budget formulation and budget implementation. As it appears that focus was placed on the audit of budget formulation procedures and processes, please replace the term "budgeting process" with "budget formulation procedures and processes."

Paragraphs 11 - 12

7. Paragraph 11 is misleading as some information is already shared with other departments through the Controller's support account budget instructions and an annual budget meeting. However, we welcome more information at the operational level of the mission as well as strategic perspectives from DPKO and DFS.

Paragraphs 13 - 14 and Table 1

8. The Advisory Committee on Administrative and Budgetary Questions requested, during the second part of the resumed sixty-fourth session of the General Assembly, that the ratio of the support account budget as a percentage of the budget for peacekeeping and United Nations Logistics Base (UNLB) be revised to the ratio of the budget for the support account budget and UNLB as a percentage of the budget for peacekeeping operations, and as such, the presentation in the support account budget report as well as the overview report has been revised in the current budget cycle. OPPBA suggests the change in the presentation accordingly.

9. It is misleading to mention "additional costs budgeted for the United Nations Office to the African Union" as one of the main reasons for the increase in the level of the support account in 2010/11". Rather, the increase is attributable to the establishment of the United Nations Office to the African Union, for which the Support Account provides a significant portion of funding.

Paragraph 15

10. Please note that the total support account budget figure in this paragraph does not take into account the DPKO/DFS share of facility costs, which is budgeted under DM. It is suggested that OIOS should include the DPKO/DFS share of facility costs in its analysis to capture the totality of the approved resources of the two Departments.

Paragraph 21

11. The deletion of the following is suggested: "*(possibly as an annex to the Secretary-General's proposed budget for the support account),*" until all possible options for funding and backstopping arrangements for special political missions are thoroughly explored.

Paragraph 22

12. Referring to the statement that "this (ERP) project is overseen by the Office of Information and Communications Technology," it is suggested that OIOS refers to the official governance structure and reporting lines of the project, as the sentence as stated is not correct.

Paragraph 25

13. It is noted that the budget formulation section of the report (Chapter IV, Section A) does not make any reference to DPKO and DFS using the Controller's support account budget instructions in its internal process. We wish to highlight that the Controller's budget instructions include budget guidelines, methodology and requirements, in particular the relevant expectations of the General Assembly, as the principal information source in the formulation of their budget requests, and that the annual briefing, conducted by PFD, reiterates and further clarifies information provided in the budget instructions.

14. We thank you for the opportunity to provide comments to the report.