



Highlights of [GAO-05-392T](#), a testimony before the Committee on International Relations, Subcommittee on Oversight and Investigations, House of Representatives

Why GAO Did This Study

The U.N. regular budget for the 2004-2005 biennium exceeded \$3 billion for the first time. In light of the organization's increasing demands, the U.N. Secretary General and member states have called on the Secretariat to better define priorities and eliminate outdated activities. In response, the Secretary General launched major reform initiatives in 1997 and 2002, and we reported on the status of these efforts in February 2004.

Audits and investigations of the U.N. Oil for Food program have also brought attention to recurring management weaknesses. As the largest financial contributor to the United Nations, the United States has a strong interest in the completion of the Secretary General's reforms.

GAO provides observations on areas for U.N. reform based on our 2004 report and our continuing review of the Oil for Food program, including our analysis of internal audit reports and other documents.

www.gao.gov/cgi-bin/getrpt?GAO-05-392T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Joseph Christoff at (202) 512-8979 or christoffj@gao.gov.

UNITED NATIONS

Sustained Oversight Is Needed for Reforms to Achieve Lasting Results

What GAO Found

The United Nations needs sustained oversight at all levels of the organization to achieve lasting results on its reform agenda. We reported in 2004 that the Secretariat had made progress in implementing 51 percent of the Secretary General's 1997 and 2002 management reform initiatives. However, we found that more than one-quarter of the completed reforms only consisted of developing plans or establishing new offices—the first steps in achieving longer term reform goals. In addition, the Secretariat had not periodically conducted comprehensive assessments of the status and impact of its reforms. Accordingly, the Secretariat had not been able to determine what progress had been made or where future improvements were needed.

At the program level, management reviews that compare actual performance to expected results are critical elements of effective oversight and accountability. The United Nations has completed the initial phase of implementing reforms in a key area—performance-based budgeting. It adopted a budget that reflects a result-based budgeting format, including specific program costs, objectives, expected results, and performance indicators to measure results. However, the United Nations has yet to implement the next critical step in performance-based budgeting—a system to monitor and evaluate program impact or results. Program reviews that compare actual performance to expected outcomes are important for accounting for resources and achieving effective results.

A strong internal audit function provides additional oversight and accountability through independent assessments of U.N. activities, as demonstrated by audits of the U.N. Oil for Food program. U.N. internal auditors found recurring management weaknesses in 58 audits it conducted over 5 years. However, constraints on their scope and authority prevented the auditors from examining and reporting widely on problems in the Oil for Food program. U.N. oversight bodies did not obtain timely reporting on serious management problems and were unable to take corrective actions when needed. These constraints limited the internal audit unit's effectiveness as an oversight tool. GAO plans to conduct more detailed work on the role of the internal auditors in upcoming engagements.