

UNOPS welcomes GAO report and pledges to continue reforms

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UNOPS welcomes the report by the United States Government Accountability Office published on 17/12/09, and pledges to continue to implement reforms that strengthen the organization's management and financial controls.

The GAO report was prompted by reports of weak management and financial controls in the period between 2002 and 2006, mainly in relation to UNOPS implementation of grants from USAID in Afghanistan. These failings were identified by the new management team appointed in mid-2006 and by several audit reports and investigations that examined the period before 2007.

In response UNOPS introduced a range of initiatives and reforms. These include the creation of an internal audit and investigation function, recruitment of better qualified senior managers and financial staff, application of robust financial controls including mandatory use of electronic financial management tools, stricter procurement rules and training, more competitive staff recruitment, circulation of clear rules and limits regarding hospitality expenses, full financial disclosure by personnel, and the introduction of a UNOPS ethics officer and whistleblower protection.

In the conclusion of its report GAO notes that current management has made "significant progress in improving UNOPS's financial position and in making changes to its systems that are designed to address the deficiencies highlighted in numerous UN oversight organizations' audits and investigations." The report does however state that in areas such as data reliability, the completion of investigations and ethics reporting there is still need for improvement.

UNOPS takes note of these comments and is committed to further strengthening data quality, to completing investigative processes and to implementing necessary reforms.

UNOPS also takes note of GAO's view that the effectiveness of reforms needs to be assessed. However UNOPS believes reforms have already produced tangible results. In particular, after three consecutive biennia of qualified audit reports, UNOPS received an unqualified audit opinion from external auditors for the biennium 2006-2007. As a result of the much-improved internal controls, in August 2008 the UN Comptroller removed all limitations on working with UNOPS which had been in effect for over two years.

In 2008-2009 UNOPS was able to sign a number of framework agreements with partners, including UN agencies, the European Commission and the World Bank. Such agreements were signed after thorough assessments by partners of UNOPS internal controls. Against this background, UNOPS revenue and new business has almost doubled and operational reserves increased seven-fold since 2006.

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