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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Strengthening of the Office of Internal Oversight Services

Funding arrangements

Report of the Secretary-General

Summary

The present report has been prepared pursuant to General Assembly resolution 61/245, in which the Assembly endorsed the conclusions and recommendations of the Advisory Committee on Administrative and Budgetary Questions contained in its report on the comprehensive review of governance and oversight within the United Nations and its funds, programmes and specialized agencies (A/61/605). In paragraph 81 of that report, the Committee recommended that the Secretary-General be requested to prepare a proposal for revised funding arrangements for the Office of Internal Oversight Services (OIOS), drawing upon experience gained on cost-sharing mechanisms currently in place.

In accordance with that recommendation of the Advisory Committee, the present document sets out revised funding arrangements for OIOS. Under the revised arrangements, several sources of funding, including: the regular budget, the peacekeeping support account, the budgets for the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia, the capital master plan budget and centrally administered extrabudgetary programme support accounts, will be consolidated under a gross budget that would be apportioned to the respective funds on a net basis. However, other sources of extrabudgetary funding from the Office of the United Nations High Commissioner for Refugees (UNHCR), the Office of the United Nations High Commissioner for Human Rights (OHCHR), the United Nations Environment Programme (UNEP), the United Nations Office on Drugs and Crime, the United Nations Human Settlements Programme (UN-Habitat),



the International Trade Centre UNCTAD/WTO, the United Nations Framework on Climate Change and the United Nations Joint Staff Pension Fund cannot be apportioned under applicable decentralized administrative arrangements and would be separately treated and presented within the budget document as extrabudgetary to the gross consolidated budget. It is also proposed that, within the context of the biennial resolution on unforeseen and extraordinary expenditures, authority be provided to enter into commitments not to exceed a total of 8 million United States dollars in any one year of the biennium to meet unforeseen expenses for oversight services as the Under-Secretary-General for Internal Oversight Services certifies relate to emerging risks, in particular those related to audits and investigations.

I. Introduction

1. The General Assembly, in paragraph 164 of its resolution 60/1, recognized the urgent need to substantially improve the United Nations oversight and management processes and emphasized the importance of ensuring the operational independence of the Office of Internal Oversight Services (OIOS). In the same paragraph, the Assembly decided that the expertise, capacity and resources of the Office in respect of audit and investigations should be significantly strengthened as a matter of urgency and recognized that additional measures were needed to enhance the independence of the oversight structures. The Assembly also requested the Secretary-General to submit an independent external evaluation of the auditing and oversight system of the United Nations.

2. Pursuant to the above, a number of reports have been submitted to the General Assembly, including the report of the Secretary-General on the comprehensive review of governance and oversight within the United Nations and its funds, programmes and specialized agencies (A/60/883, Add.1, Add.1/Corr.1 and Add.2), the report of the Office of Internal Oversight Services on proposals for strengthening the Office of Internal Oversight Services (A/60/901) and the report of the Secretary-General on strengthening of the Office of Internal Oversight Services, including revised estimates to the programme budget for the biennium 2006-2007 (A/61/610). By its resolution 61/245, the General Assembly endorsed the conclusions and recommendations of the Advisory Committee contained in its report on the comprehensive review of governance and oversight within the United Nations and its funds, programmes and specialized agencies (A/61/605). In paragraph 81 of that report, the Committee recommended that the Secretary-General be requested to prepare a proposal drawing upon experience gained on cost-sharing mechanisms currently in place. Pursuant to that recommendation, the present document has been prepared in consultation with OIOS.

II. Independence, risk assessment and strategy

3. The General Assembly, by its resolution 48/218 B, established OIOS and set out its mode of operation, namely: that the Office should exercise operational independence under the authority of the Secretary-General in the conduct of its duties and, in accordance with Article 97 of the Charter of the United Nations, should have the authority to initiate, carry out and report on any action which it considered necessary to fulfil its responsibilities with regard to monitoring, internal audit, inspection and evaluation and investigations. The issue of independence of OIOS has been addressed in the context of the comprehensive review of governance and oversight within the United Nations and its funds, programmes and specialized agencies (A/61/605), the report of OIOS on proposals for its strengthening (A/60/901) and the quality assurance review of the Internal Audit Division of OIOS. Relevant portions of those reviews are summarized below.

A. Comprehensive review of governance and oversight within the United Nations and its funds, programmes and specialized agencies

4. Principles related to the issue of independence are addressed in the report of the Steering Committee on the Comprehensive Review of Governance and Oversight within the United Nations and its Funds, Programmes and Specialized Agencies (A/60/883/Add.2, vol. V, sect. 5.5.1). The Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing (the IIA Standards) states that the internal audit activity should be independent and that internal auditors should be objective in performing their work. Furthermore, the International Standards define the independence of the internal audit activity as comprising two elements: (a) the chief audit executive should report to a level within the organization that allows the internal audit activity to fulfil its responsibilities, and (b) the internal audit activity should be free from interference in determining the scope of internal auditing, performing work and communicating results. The report of the Steering Committee makes the observation that, fundamentally, operational independence is not based on rules or mandates but on the degree to which the oversight function is free to identify the resources it requires, deploy those resources where it sees fit and report as it sees fit.

5. The report of the Steering Committee also makes the observation that the current funding structure for OIOS limits its ability to determine where resources will be deployed and, hence, limits the scope of its decisions. As a result, resources cannot be allocated to areas of emerging risk on the basis of the Office's assessment of risk and changes in risk cannot always be responded to without the Office having to renegotiate individual agreements or wait for the next biennium budget process (A/60/883/Add.2, vol. V, sect. 5.5.1, observations, para. 47.2).

B. Report of the Office of Internal Oversight Services on proposals for strengthening the Office of Internal Oversight Services

6. In the report of OIOS on proposals for its strengthening (A/60/901), the Office pointed out that the main obstacle to independence as established by the General Assembly is the funding arrangement for its operations. There are two main issues that need urgent resolution with regard to the budgeting for OIOS. The first is that the OIOS budget is currently subject to review by the Department of Management, over which OIOS has oversight responsibility. Secondly, OIOS has to negotiate funding for almost two thirds of its budget with the very same entities for which it performs oversight functions. This situation is further complicated by the restriction on the use of resources funded by one entity to undertake oversight assignments for another entity. The conditions described above infringe on the Office's ability to fully adopt a risk-based approach to the allocation of oversight resources.

C. Quality assurance review of the Internal Audit Division of the Office of Internal Oversight Services

7. A quality assurance review of the Office of Internal Oversight Services Internal Audit Division was conducted in November 2006. In the review, the need

for a single source of funding was emphasized and it was pointed out that the lack of such a funding mechanism has a negative impact on the independence of the internal audit activity because the funding condition allows the auditee to influence, if not control, the audit process and scope. The review also highlighted that, at the internal audit activity level, the situation restricts the deployment of audit resources to where the risk is perceived to be highest and most needed at any given point in time. Higher risk areas may not receive the audit coverage needed whereas other areas may be over-audited, resulting in an inefficient and ineffective use of scarce resources.

8. The review noted that best practice corporate governance requires that the internal audit activity independently assess the key risks and determine the resources needed to provide senior management and independent oversight bodies with the level of assurance they demand. To that end, resources are approved and the internal audit activity is authorized to work towards providing such assurance. There is an understanding that the risk profile will change over time and that the internal audit activity will have full authority to redeploy resources accordingly. Independent oversight bodies will require that the internal audit activity account for the use of resources and for any redeployment of resources. The review recommended that reliance on multiple sources for funding be reduced and that funding be provided based on a thorough risk-based audit planning approach.

III. Revised funding arrangements

9. In order to address the issues highlighted, revised funding arrangements are proposed whereby: OIOS would be responsible for establishing a risk-based workplan and the associated budget; the Independent Audit Advisory Committee would be responsible for challenging the rationale for the workplan and budget and formulating related advice regarding the approval of the budget; and the Department of Management would be responsible for recommendations related to the apportionment of resources, to be assessed and/or centrally administered, to the entities which are covered by the workplan and related budget.

A. Risk assessment

10. Within the above framework, and to comply with the IIA Standards, OIOS has committed itself to implementing risk-based work planning (see annex I). Further to the report of the Secretary-General on the updated terms of reference for the Independent Audit Advisory Committee (A/60/846/Add.7), an additional report will be issued setting out revised terms of reference for the Independent Committee, as requested by the General Assembly in paragraph 3 of its resolution 61/245. With regard to risk-based planning, Performance Standard 2010, "Planning", of the IIA Standards state that the chief audit executive should establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organization's goals. Practice Advisory 2010-2 of the IIA Standards interprets Standard 2010 as follows:

(a) The organization's risk strategy should be reflected in the design of the internal audit activity's audit plan;

(b) The internal audit activity's audit plan should be designed based on an assessment of risk and exposures that may affect the organization. Ultimately, key audit objectives are to provide management with information to mitigate the negative consequences associated with accomplishing the organization's objectives, as well as an assessment of the effectiveness of management's risk management activities;

(c) It is advisable to assess the audit universe on at least an annual basis to reflect the most current strategies and direction of the organization. In some situations, audit plans may need to be updated frequently (i.e. quarterly) in response to changes in the organization's environment of management activities;

(d) Audit work schedules should be based on, among other factors, an assessment of risk priority and exposure. Prioritization is needed to make decisions for applying relative resources based on the significance of risk and exposure.

11. In accordance with the above, OIOS would carry out risk assessments to develop a detailed workplan. Risk assessments will be conducted at the department/entity level, led by OIOS and with the involvement of key staff in the department/entity. It is proposed that a budget be developed by OIOS and be submitted, together with the related workplan, to the Independent Audit Advisory Committee for its review in accordance with its terms of reference as approved by the General Assembly. In addition to ensuring that oversight resources are prioritized for high-risk areas, the risk-based approach also provides the Independent Audit Advisory Committee, and ultimately the General Assembly, with a basis for determining the level of risks they are willing to accept for the Organization.

B. Budget

12. The formulation of a budget for OIOS based on risk assessment will be a mid-to long-term goal, and in the interim the current level of funding will represent core resources. Any requests for additional resources will be justified on a risk basis. The only exception being requests for resources associated with proposals for strengthening the Office's operations. It is proposed that the budget would be prepared on a gross basis¹ and would cover and consolidate the requirements currently funded under the regular budget, as well as the budgets of the peacekeeping support account, the international tribunals, the capital master plan and centrally administered extrabudgetary programme support accounts. Consistent with the practice now followed for jointly financed activities, the related individual sources of funding would include provisions budgeted on a net basis² to cover the respective shares to be borne.

13. The above arrangements would consolidate a significant portion of the resources of OIOS under the gross budget. However, some portion of OIOS resources would still be considered as extrabudgetary to the gross budget, and

¹ The budget prepared on gross basis (the gross budget) would combine requirements previously separately budgeted into a single consolidated budget, which would be justified and detailed in that context.

² A provision budgeted on a net basis would be included in each of the related budgets consisting of the contribution to cover the related share of the gross budget.

would be subject to separate administrative arrangements under the existing practice. These consist of sources of funding that are subject to specialized intergovernmental body review and/or separate administrative arrangements, covering non-assessed resources provided through funding arrangements with the Office of the United Nations High Commissioner for Refugees (UNHCR), the Office of the United Nations High Commissioner for Human Rights (OHCHR), the United Nations Environment Programme (UNEP), the United Nations Office on Drugs and Crime, the United Nations Human Settlements Programme (UN-Habitat), the International Trade Centre UNCTAD/WTO, the United Nations Framework on Climate Change and the United Nations Joint Staff Pension Fund. While it is expected that such other resources would decrease over time, in line with efforts to reduce reliance on extrabudgetary resources, no practical solution has been identified at this stage to entirely eliminate these separate funding arrangements. Should such requirements be included in the gross budget, a number of practical difficulties arise. The level of resources would need to be known at the time of budget preparation. Funding levels would be integrally linked to the risk assessment process and, where applicable, to related governing body review, thereby resulting in a fundamentally different basis for identifying requirements than that used for other jointly financed activities. Therefore, it is proposed that in those instances the practice of establishing separate funding arrangements between OIOS and the respective entities be maintained. While this would require the continued involvement of OIOS in settling the related funding arrangements, alternate modalities based on the establishment of an administrative office within the Department of Management to liaise with OIOS and each of these entities is not considered to be practical. Furthermore, the inclusion of those requirements in the gross budget without apportionment to an extrabudgetary source of funding would constitute a departure from existing practice, whereby expenditures related to extrabudgetary activities are borne by such sources of funding and consequently require an increase in the amounts to be borne by assessed budgets.

C. Apportionment of the gross budget

14. It is proposed that, at the time of preparation of the first gross budget, the existing distribution of funding between the regular budget, the peacekeeping support account, the budgets for the tribunals, the capital master plan budget and centrally administered extrabudgetary programme support accounts be used as a basis for the initial establishment of the shares for allocation of the gross consolidated budget. Following the initial establishment, the shares would be subject to review in the context of subsequent budget proposals, taking into account the level and nature of activities carried out under each source of funding and related risk-based adjustments to the overall OIOS budget.

15. Indicative resource estimates and shares based on the main sources of funding of the Office at the present time are set out in annex II. As reflected in annex II, the gross budget would amount to \$73.9 million representing approximately 89 per cent of the overall funding requirement of OIOS based on current information. Out of a total gross budget of \$73.9 million, 42.7 per cent, or \$31.5 million, would be borne by the regular budget, and 50.4 per cent, or \$37.3 million, by the peacekeeping support account. The remaining amount of \$5.1 million would be borne by the budgets of the International Criminal Tribunal for Rwanda and the International

Tribunal for the Former Yugoslavia, the capital master plan budget, and the extrabudgetary support accounts in the shares indicated in the annex. While the annex illustrates the apportionment based on current information, these shares would initially be established based on updated information at the time of preparation of the first gross budget under the arrangements proposed above.

D. Unforeseen and extraordinary provision for emerging risks

16. It is also proposed by OIOS that a provision for unforeseen expenses related to oversight services be established. Under these arrangements, the Secretary-General would be authorized, subject to the Financial Regulations and Rules of the United Nations,³ to enter into commitments not to exceed a total of 8 million United States dollars in any one year of the biennium to meet unforeseen expenses for oversight services arising either during or subsequent to the biennium as the Under-Secretary-General for Internal Oversight Services certifies relate to emerging risks. This provision would ensure capacity to address emerging risks, including instances where the initiation of ad hoc investigative services covering activities of a fund or programme is dependent on agreement by that organization to fund such services. Such expenses would be reported in the performance reports, consistent with the practice followed for unforeseen and extraordinary expenses related to peace and security, the International Court of Justice and the security of personnel, and the related shares would be apportioned to the relevant budgets. A draft of the traditional text of the biennial resolution on unforeseen and extraordinary expenses, revised to cover oversight services, is set out in annex III.

E. Timing

17. In terms of timing, the proposed budget would be prepared in the first quarter of the year preceding the start of the biennium for submission to the Independent Audit Advisory Committee. This would allow related budgets to include a net provision, taking into account the level proposed and the respective share. The regular budget provision would be based on the proposed gross budget and would be adjusted, as required, to take into account the actual level of the approved gross budget, with subsequent adjustments in the context of performance reports consistent with current practices for jointly financed activities. Given the timing of approval of the peacekeeping support account budget, the related net provision would initially be formulated under existing arrangements for the support account as a transitional measure. This would be necessary to ensure adequate funding for six months under existing arrangements, and for a subsequent six months based on the share of the gross budget approved under the revised arrangements. Adjustments would be made in the support account performance report to take into account differences between the approved provision in the support account and the share based on the actual level of the approved gross budget. The cycle for budget preparation, approval, and performance reporting as it would apply for the 2010-2011 period is set out in annex IV.

18. The proposed programme budget outline would include any decisions taken on the level of OIOS resources at the time of preparation of the proposed outline. Any

³ ST/SGB/2003/7.

resources-related decisions taken subsequent to the adoption of the outline for a biennium by the General Assembly that give rise to additional resource implications would be included in regular budget proposals over and above the outline amount, as may be required. Such risk-based requirements would be subject to the review of the Independent Audit Advisory Committee and the Advisory Committee on Administrative and Budgetary Questions and, given the established budget cycle, decisions taken by the Assembly on the basis of risk assessment and related additional financial implications would not be subject to the provisions of the contingency fund.

IV. Conclusions and recommendation

19. **The gross budget submitted by OIOS based on an assessment of risk in the Organization would consolidate a number of sources of funding that are handled and administered by the Department of Management. A number of other sources of funding would continue to be separately administered. These consist of sources of funding that are subject to specialized intergovernmental body review and/or separate administrative arrangements. These include resources provided through funding arrangements with UNHCR, OHCHR, UNEP, the United Nations Office on Drugs and Crime, UN-Habitat, the International Trade Centre UNCTAD/WTO, the United Nations Framework on Climate Change and the United Nations Joint Staff Pension Fund. Consistent with current practice, such resources would be estimated by OIOS and presented as extrabudgetary resources to the gross budget, thereby providing an overall estimate of resources available to the Office. However, for the longer term, taking into account the need to rationalize and simplify funding arrangements for OIOS and to reduce reliance on extrabudgetary funding, consideration could be given in future periods to accounting for such requirements, where possible, within proposals under the consolidated gross budget.**

20. **The General Assembly is requested to take the following actions:**

(a) **Approve the revised funding arrangements for the Office of Internal Oversight Services set out in annex I of the present report, to be implemented with respect to the budget for the period 2010-2011;**

(b) **Request the Secretary-General to report on the experience gained implementing the revised funding arrangements at its sixty-sixth session.**

Annex I

Funding arrangements for the Office of Internal Oversight Services

Risk assessment

1. The Office of Internal Oversight Services (OIOS) defines risk as the threat that an event or action will adversely affect the ability of the United Nations to achieve its organizational objectives and execute its strategies successfully. Risk is measured before taking into consideration the risk control techniques that are employed by management and has two components: the likelihood or probability of occurrence; and the impact that the event or action would have. Risk assessments will be conducted by OIOS at the department/entity level. The risk assessment process will be led by OIOS and will involve key staff in the department/entity. Where risk assessments have already been conducted by the department/entity, OIOS will review the risk methodology applied and make an evaluation as to whether reliance can be placed on risk assessment data. OIOS may decide to conduct its own risk assessment if the objectivity of the data is deemed to be unreliable. Risks identified in the risks assessments conducted in each department/entity will then be consolidated to produce an Organization-wide table of risks in order of priority.

Budget

2. OIOS will prepare a budget on the basis of the risk assessment. OIOS will estimate the amount of resources required to undertake oversight of each risk identified. This would include an estimate of the number of staff days, travel and other non-post requirements. OIOS will calculate the staff days available for undertaking oversight assignments based on the number of staff allotted and the available staff days, taking into account, inter alia, annual leave, sick leave, training and administrative work. It is estimated that this approximates to about 200 days per staff member per annum. A budget will be prepared that will relate directly to the full OIOS workplan, including internal audit, inspection, evaluation and investigation functions.

3. The OIOS budget will be submitted to the Office of Programme Planning Budget and Accounts, Department of Management, for technical purposes and strictly to ensure that it is consistent with the technical costing standards to be utilized for the period. The Department of Management will make no comment nor have any input on substantive aspects of the budget proposal. The budget process will be as follows:

(a) A gross budget will be prepared by OIOS that would cover and consolidate the requirements currently funded under the regular budget, as well as the budgets of the peacekeeping support account, the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia and the capital master plan, and the centrally administered extrabudgetary programme support accounts;

(b) The Office of Programme Planning Budget and Accounts will ensure that the related individual sources of funding include provisions budgeted on a net basis to cover the respective shares to be borne;

(c) Other sources of funding that are subject to specialized intergovernmental body review and/or separate administrative arrangements would be estimated by OIOS and presented as extrabudgetary resources in relation to the gross budget, thereby providing an overall estimate of resources available to OIOS. These resources would be directly administered by the Office in conjunction with the related organizations.

Apportionment of the gross budget of the Office of Internal Oversight Services

4. The existing distribution of funding between the regular budget, the peacekeeping support account, the budgets for the international tribunals, the capital master plan budget and centrally administered extrabudgetary programme support accounts will be used as a basis for the initial establishment of the shares for allocation of the gross consolidated budget. These shares would be subject to review in the context of subsequent budget proposals, taking into account the level and nature of activities carried out under each source of funding and related risk-based adjustments to the overall budget.

Timing

5. The proposed budget would be prepared in the first quarter of the year preceding the start of the biennium for submission to the Independent Audit Advisory Committee. The workplan and corresponding budget will be presented and the underlying assumptions will be reviewed by the Independent Committee in accordance with the terms of reference to be approved by the General Assembly. The related budgets would include net provisions based on the level proposed and the respective share. The report of the Independent Committee would address, as appropriate, the adequacy of the risk coverage and the adequacy of the OIOS budget to deliver the workplan. The OIOS budget, together with the report of the Independent Committee and the recommendations of the Advisory Committee on Administrative and Budgetary Questions, would be reviewed and approved by the General Assembly, subject to such modifications as the Assembly may decide.

Programme budget outline

6. The proposed programme budget outline will take into account any decisions taken on the level of OIOS resources at the time of preparation of the proposed outline. Any resources-related decisions taken subsequent to the adoption of the outline for a biennium by the General Assembly that give rise to additional resource implications would be included in regular budget proposals over and above the outline amount, as may be required. Such risk-based requirements would be subject to the review of the Independent Audit Advisory Committee and the Advisory Committee and, given the established budget cycle, decisions taken by the Assembly

on the basis of risk assessment and related additional financial implications would not be subject to the provisions of the contingency fund.

Commitment authority for unforeseen expenses related to oversight services

7. The Secretary-General would be authorized, subject to the Financial Regulations and Rules of the United Nations,^a to enter into commitments not to exceed a total of 8 million United States dollars in any one year of the biennium to meet unforeseen expenses for oversight services arising either during or subsequent to the biennium as the Under-Secretary-General for Internal Oversight Services certifies relate to emerging risks. Such expenses would be reported in the performance reports, consistent with the practice followed for unforeseen and extraordinary expenses related to peace and security, the International Court of Justice and the security of personnel.

^a ST/SGB/2003/7.

Annex II

Indicative resource estimates and shares based on the main sources of funding for the Office of Internal Oversight Services

<i>Funding source</i>	<i>Budgeted amounts (United States dollars)^a</i>	<i>Percentage share of gross budget</i>	<i>Percentage share of total funding estimates</i>
Gross budget^b			
Regular budget	31 545 200	42.7	
Peacekeeping support account	37 266 000	50.4	
International Criminal Tribunal for Rwanda	1 037 500	1.3	
International Tribunal for the Former Yugoslavia	910 900	1.1	
Capital master plan	887 700	1.2	
Extrabudgetary support accounts	2 517 000	3.4	
Subtotal	73 934 400	100.0	89.0
Other funding^c			
UNHCR	5 425 400		
UNODC	489 800		
UNEP	338 700		
OHCHR	299 800		
UN-Habitat	337 600		
ITC	425 700		
UNJSPF	1 445 800		
UNFCCC	77 600		
Reimbursement account ^d	333 900		
Subtotal	9 174 300		11.0
Total	83 108 700		100.0

^a Estimated on a biennial basis based on information as of 31 January 2007.

^b Regular budget, peacekeeping support account, and tribunals budgets reflected net of staff assessment.

^c Acronyms: UNCHR, Office of the United Nations High Commissioner for Refugees; UNODC, United Nations Office on Drugs and Crime; UNEP, United Nations Environment Programme; OHCHR, Office of the United Nations High Commissioner for Human Rights; UN-Habitat, United Nations Human Settlements Programme; ITC, International Trade Centre UNCTAD/WTO; UNJSPF, United Nations Joint Staff Pension Fund; UNFCCC, United Nations Framework Convention on Climate Change.

^d Reimbursement account primarily for reimbursement of oversight services provided by OIOS to the funds and programmes (primarily utilized for investigative services).

Annex III

Draft resolution on unforeseen and extraordinary expenses

The General Assembly,

1. *Authorizes* the Secretary-General, with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions and subject to the Financial Regulations and Rules of the United Nations^a and the provisions of paragraph 3 below, to enter into commitments in the biennium ___ to meet unforeseen and extraordinary expenses arising either during or subsequent to the biennium, provided that the concurrence of the Advisory Committee shall not be necessary for:

(a) Such commitments not exceeding a total of 8 million United States dollars in any one year of the biennium ___ as the Secretary-General certifies relate to the maintenance of peace and security;

(b) Such commitments as the President of the International Court of Justice certifies relate to expenses occasioned by:

(i) The designation of ad hoc judges (Statute of the International Court of Justice, Article 31), not exceeding a total of 200,000 dollars;

(ii) The calling of witnesses and the appointment of experts (Statute, Article 50) and the appointment of assessors (Statute, Article 30), not exceeding a total of 50,000 dollars;

(iii) The maintenance in office for the completion of cases of judges who have not been re-elected (Statute, Article 13, paragraph 3), not exceeding a total of 40,000 dollars;

(iv) The payment of pensions and travel and removal expenses of retiring judges and travel and removal expenses and installation grants of members of the Court (Statute, Article 32, paragraph 7), not exceeding a total of 410,000 dollars;

(v) The work of the Court or its Chambers away from The Hague (Statute, Article 22), not exceeding a total of 25,000 dollars;

(c) Such commitments not exceeding a total of 1 million dollars in the biennium ___ as the Secretary-General certifies are required for security measures pursuant to section XI, paragraph 6, of General Assembly resolution 59/276 of 23 December 2004;

(d) Such commitments not exceeding a total of 8 million dollars in any one year of the biennium ___ as the Under-Secretary-General for Oversight Services certifies relate to emerging risks, including ad hoc investigations;

2. *Resolves* that the Secretary-General shall report to the Advisory Committee and to the General Assembly at its ___ and ___ sessions all commitments made under the provisions of the present resolution, together with the circumstances relating thereto, and shall submit supplementary estimates to the Assembly in respect of such commitments;

^a ST/SGB/2003/7.

3. *Decides* that for the biennium _____, if a decision of the Security Council results in the need for the Secretary-General to enter into commitments relating to the maintenance of peace and security in an amount exceeding 10 million dollars in respect of the decision, that matter shall be brought to the General Assembly, or, if the Assembly is suspended or not in session, a resumed or special session of the Assembly shall be convened by the Secretary-General to consider the matter.

Annex IV**Cycle for the budget period 2010-2011**

	<i>Gross budget</i>	<i>Regular budget</i>	<i>Peacekeeping support account</i>
2008			
December	Biennial programme plan for internal oversight services approved (in the context of the strategic framework for 2010-2011)	Programme budget outline for the biennium 2010-2011 approved	
2009			
March	Gross budget proposed for the biennium 2010-2011	Proposed regular budget includes 24 months share of the proposed gross budget	Proposed support account budget for 2009/2010 includes 12 months of funding on the existing basis of formulation. During the transition period, this is necessary for adequate funding for the 6-month period from July to December 2009 under existing arrangements and for the subsequent 6-month period from January to June 2010 under the revised arrangements
December	Gross budget approved for the biennium 2010-2011	Approved regular budget includes 24 months share of the approved gross budget	
2010			
June			Support account performance report for 2009/2010 includes adjustment to take into account differences arising from 6 months of funding (January to June 2010) based on the gross budget approved under the revised arrangements
July			Proposed support account for 2010/2011 includes 12 months share of the approved gross budget
December	Gross budget revised to take into account first performance report adjustments	Regular budget revised to take into account share of first performance report adjustments	

	<i>Gross budget</i>	<i>Regular budget</i>	<i>Peacekeeping support account</i>
2011			
July			Support account 2011/2012 includes 6 months share of the initially approved gross budget, plus the share of the first performance report adjustments
December	Gross budget revised to take into account second performance report adjustments	Regular budget revised to take into account second performance report adjustments	
2012			
June			Support account performance report for 2011/2012 is adjusted based on the second performance report and closed accounts