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Report on the activities of the Office of Internal Oversight Services

Activities of the Office of Internal Oversight Services for the period from 1 July 2019 to 30 June 2020**

Report of the Office of Internal Oversight Services

Summary

The present report is submitted pursuant to General Assembly resolutions [48/218 B](#) (para. 5 (e)), [54/244](#) (paras. 4–5), [59/272](#) (paras. 1–3), [73/275](#) (paras. 10 and 19) and [74/256](#) (paras. 10 and 17). During the reporting period, from 1 July 2019 to 30 June 2020, the Office of Internal Oversight Services (OIOS) issued 168 oversight reports (excluding those relating to peace operations), including 9 reports to the General Assembly. The reports included 468 recommendations to improve risk management, governance and operations, of which 16 were classified as critical. The financial implications of the recommendations issued by the Office during the period led to savings and recoveries amounting to \$1,076,485. The addendum to the present report provides an analysis of the status of implementation of the recommendations and a list of reports issued.

* [A/75/150](#).

** Excluding oversight activities relating to peace operations. Oversight results pertaining to peace operations for the period from 1 January to 31 December 2019 are presented in document [A/74/305 \(Part II\)](#). Those relating to the period from 1 January 2020 to 31 December 2020 will be presented in document [A/75/301 \(Part II\)](#).



I. Introduction

1. The Office of Internal Oversight Services (OIOS) was established by the General Assembly pursuant to resolution 48/218 B to enhance oversight in the Organization. It is operationally independent and assists the Secretary-General in fulfilling internal oversight responsibilities in respect of resources and staff of the Organization through the provision of internal audit, inspection, evaluation and investigation services.

2. The present report provides an overview of OIOS activities during the period from 1 July 2019 to 30 June 2020. It does not include oversight results pertaining to peace operations. The addendum to the present report (A/75/301 (Part I)/Add.1) provides an analysis of the recommendations and a list of the reports issued during the period.

II. General trends and strategic challenges regarding internal oversight at the United Nations

Programmatic priorities

3. OIOS aims to provide recommendations to improve risk management, governance and operations. The Office has given priority to work on four areas: (a) implementation of the Secretariat reforms; (b) organizational culture; (c) procurement and supply chain; and (d) missions in transition. It is also focused on strengthening the second line of defence, which includes the centralized, business-enabling functions. The aim is to improve the performance of compliance and risk management functions of the Secretariat and other entities covered by the Office's activities.

Internal audit

4. Progress on performance auditing led to a notable increase in recommendations to improve the effectiveness and efficiency of operations, from 57 per cent of total recommendation issued in the period 2018–2019 to 63 per cent in the period 2019–2020. Findings made by the Internal Audit Division (IAD) using that approach covered: (a) recruitment bottlenecks; (b) inadequate performance indicators for the monitoring of results; (c) inordinately prolonged periods of time for processing donor and grant documents; and (d) insufficiently targeted or results-focused strategies.

5. Strengthening the second line of defence to support the decentralization of authority is a key strategy of the Secretariat management reform and remained a key area of focus for internal audit.

6. Umoja is a key enabler of the Secretariat results. IAD continued to refine its Umoja data analytics capacity and is developing a comprehensive information and communications technology (ICT) audit strategy to account for the rapidly changing profile of ICT risks associated with cybersecurity, mobile applications, cloud computing and data protection. In the Office of the United Nations High Commissioner for Refugees (UNHCR), IAD continued to improve its capacity to undertake audits and data analytics using the UNHCR Managing Systems, Resources and People system.

Inspection and evaluation

7. In 2020, the Inspection and Evaluation Division (IED) completed an eight-year evaluation cycle of all Secretariat programmes. Those evaluations, however, were focused on the programmes' higher risk activities and did not cover all subprogrammes. The Division has therefore developed a new approach focusing on subprogrammes and prioritizing those under the peace and security, sustainable development, human rights and humanitarian work pillars. The aim is to cover all

substantive Secretariat subprogrammes within the eight-year cycle. The subprogramme evaluations may be further supplemented by programme-level synthesis and thematic reports to assess the extent to which Secretariat programmes are integrated and coordinated for efficiency and effectiveness.

8. To optimize its work, the Division has begun producing synthesis reports based on information from past OIOS assignments. The first such report, on organizational culture (IED-20-004), was issued in June 2020 (see para. 25).

9. The Division worked with the Department of Management Strategy, Policy and Compliance on strengthening Secretariat evaluation capacity through policy development, methodological guidance and direct support, as well as capacity development. It also continued to provide ad hoc advice to the Executive Office of the Secretary-General on issues relating to independent, system-wide evaluation.

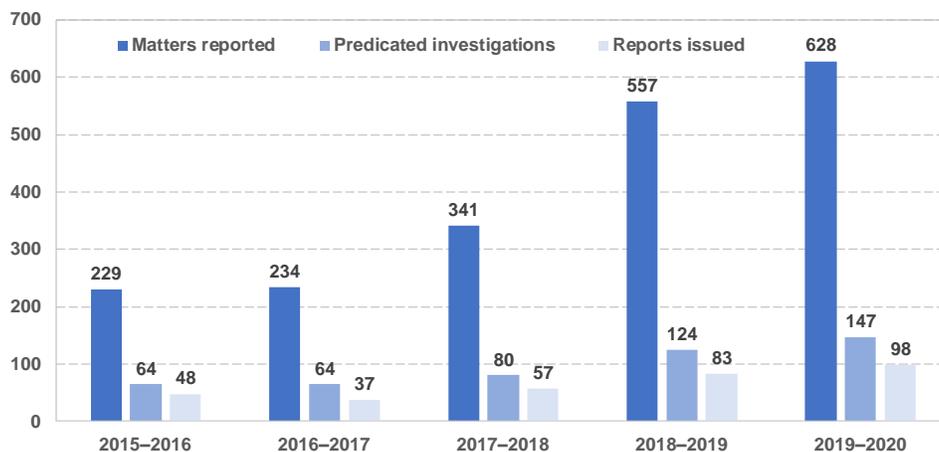
10. In June 2019, the Division produced a synthesis of guidelines for evaluation of the United Nations response to the coronavirus disease (COVID-19). It also developed a theory of change regarding that response, which it shared with the Department of Management Strategy, Policy and Compliance as input for the risk register that it maintains for the Secretariat, and with the United Nations Evaluation Group for information.

Investigations Division

11. The Investigations Division (ID) has carried out an end-to-end review of its investigation process to identify issues that may slow down the completion of investigations, including: (a) at the work-planning stage; (b) in the process of making official requests for email and Office of Information and Communications Technology (OICT) resources and response times of the requested organization; (c) in the process of requesting interview transcripts and response times of the contractors; and (d) the complexity of drafting investigation reports. The Division has taken steps to address each of those issues, and, thus, systemic barriers to the timely completion of investigations.

12. For the reporting period, the average time taken to complete an investigation was 10.3 months. For sexual harassment investigations, the average completion time was nine months. In the past five years, the number of matters reported to and handled by OIOS has increased steadily (figure 1). After evaluation through the intake process, 147 of the 628 matters reported to OIOS were assigned for investigation, 280 were referred or were in the process of being referred to other entities, 134 were filed for information and 201 were closed after assessment. In total, 98 investigation reports and investigation closure notices (excluding those relating to peace operations) were issued, representing an almost 20 per cent increase over the previous year.

Figure 1
Trend in the number of matters reported and handled by fiscal year, 1 July 2015 to 30 June 2020



Impact of the coronavirus disease on the workplan

13. OIOS has benefited from the preparedness and business continuity arrangements of the Secretariat and other organizations to which it provides internal oversight and was able to finalize most of the activities started before the crisis.

III. Cooperation and coordination

14. OIOS received effective cooperation from management and staff in entities covered by its oversight activities during the reporting period. The Independent Audit Advisory Committee and the UNHCR and United Nations Joint Staff Pension Fund audit committees continued to provide guidance and best practices that helped to improve the results of the Office's work.

15. The Office coordinated with the Board of Auditors and the Joint Inspection Unit to enhance synergies and efficiencies in the discharge of their respective mandates.

16. The Office also shared knowledge on good practices and innovations in oversight methodologies with the other internal oversight functions of the United Nations system through the meetings of Representatives of Internal Audit Services of the United Nations Organizations, the United Nations Representatives of Investigative Services and the United Nations Evaluation Group.

17. ID participated in the United Nations System Chief Executives Board for Coordination task force on addressing sexual harassment within the organizations of the United Nations system and continued to chair the subgroup on improving the investigation of sexual harassment, which is developing a guidance manual on that subject and a training programme for the investigation of cases of sexual harassment.

IV. Impediments

18. There was no inappropriate limitation of scope that impeded the work or independence of OIOS during the reporting period.

V. Recommendation trend analysis

19. OIOS issued 167 internal audit, inspection, evaluation and investigation reports containing 468 recommendations to entities (excluding those relating to peace operations). Detailed information is presented in the addendum to this report (A/75/301 (Part I)/Add.1).

Acceptance by management of recommendations

20. Management and OIOS continued to agree on issues requiring further improvement, as shown in the full acceptance by management of OIOS recommendations. Ninety per cent of the recommendations were in areas also considered as high risk in the Secretariat risk register.

Slower trend in implementing critical recommendations

21. Critical recommendations address risks that could have a critical or adverse impact on the operations and reputation of the Organization. As at 30 June 2020, 31 critical recommendations still had not been implemented and 17 (55 per cent) had been open for more than 12 months, compared with 6 (17 per cent) for the previous reporting period. Such recommendations require the immediate attention of management.

Improvements in assessment of implementation status

22. OIOS has reviewed the way in which it rates and monitors implementation of its recommendations. The aim is to provide clearer information to management on the timing of implementation and on action taken by the Office where recommendations are not accepted. The Office is working to frame recommendations such that they may be implemented in a more timely manner. It has also changed its approach to open recommendations; any recommendation that remains unimplemented for more than 24 months is now considered overdue. Further details on those initiatives are provided in section II of the addendum (A/75/301 (Part I)/Add.1).

VI. Summary of oversight activities and results

A. Selected results in priority areas

Procurement

23. The OIOS audit of strategic management of procurement (report No. 2019/111) issued to the Department of Operational Support and the Department of Management Strategy, Policy and Compliance covered transactions amounting to \$6 billion in 2017 and 2018. OIOS found that the Department of Operational Support provided field missions and offices with effective policy guidance on procurement but needed to better consider the operational efficiencies of those entities when making changes in responsibilities for the procurement of strategic goods and services. It was also found that systems contracts and collaborative procurement with United Nations system organizations should be employed more in order to reduce the large number of time-consuming and repetitive solicitation exercises, that the framework for monitoring the delegation of authority was inadequate and that there was a need to measure key performance indicators and develop fraud risk management. The Department of Management Strategy, Policy and Compliance needed to update the terms of reference of the Award Review Board and address the exclusion of solicitations from field missions. Both departments made a commitment to implement all OIOS recommendations, have already implemented one of them and are working on implementing the remainder.

24. Auditing procurement was also a priority within UNHCR. In its audit report on UNHCR field procurement management (2019/120), OIOS noted that UNHCR needed to provide additional guidance and support to field operations, including revising the UNHCR Policy and Administrative Instruction on Procurement (see also para. 92).

Organizational culture

25. The IED synthesis report of the results of 37 OIOS evaluations and inspections for the period between 2017 and 2020, on the topic of organizational culture (IED-20-004) was the first in a series. Evaluation results and recommendations were aggregated and summarized, resulting in synthesis findings on seven dimensions of organizational culture: accountability; teamwork and collaboration; leadership; ethics and integrity; gender; morale; and risk appetite. Key issues were identified that could assist programme managers in strengthening their work culture, delivering their programme mandates efficiently and effectively and achieving results. Some dimensions of organizational culture had been strengthened under United Nations reforms but others had not been addressed.

Implementation of reforms

26. OIOS is helping the Development Coordination Office to assess the reform of the resident coordinators system. The evaluation report on the Department of Economic and Social Affairs (IED-19-015) included assessments of its internal reform efforts in support of the overall reform of the United Nations development system.

Second line of defence

27. IAD assisted the Office of Programme Planning, Finance and Budget in implementing the statement of internal controls. The Secretary-General is expected to sign the first such statement for all Secretariat operations for the year 2020 in March 2021. The Division provided advice on risk and control matrices, process flowcharts and self-assessment checklists. It also assessed progress in the implementation of enterprise risk management and specifically audited its application in peacekeeping missions. The Division concluded in its audit that enterprise risk management in the Secretariat had not yet matured.

28. ICT audits help to assess the governance arrangements and risk management in ICT and the functions supported by ICT. The audit of processes for developing and acquiring software applications at the Secretariat (2020/003) revealed a need to improve the regulatory framework, the process of delegating authority to heads of entities and offices, the ICT security compliance status of applications, policy for protecting the Organization's software intellectual property, and software acquisition planning. OICT has initiated action to implement the OIOS recommendations.

29. The audit of the Inspira human resources system (2019/119) revealed several unmitigated risks in system design and productivity that made it important to determine whether to further enhance the system or replace it. Under the management reform, the ownership of several human resources processes was supposed to be clarified. The failure to do so had prevented the timely identification and resolution of control gaps and deficiencies in the system. The Secretariat accepted the recommendations and has since clarified the ownership of human resources processes and identified steps to resolve control gaps and system deficiencies.

30. Audits of secure communications and related telecommunications infrastructure at the United Nations Secretariat and of Umoja system security, architecture and design covered high-risk areas and included vulnerability and cybersecurity resilience assessments. OIOS made recommendations on how to strengthen the security model of Umoja and the Secretariat's secure communication mechanisms, and the

Secretariat has initiated action to implement them. (Owing to their sensitive nature, the reports have not been made available to the public).

31. OIOS found that UNHCR needed to strengthen its ICT governance framework and overall monitoring and compliance activities by revising and consolidating the existing ICT governance guidance and assessing the need to establish regional ICT governance structures (see para. 93). UNHCR has initiated action to address those issues and taken steps to strengthen project management through improved performance data.

B. Selected results by entity

Department of Economic and Social Affairs

32. OIOS issued two audit reports (2019/086 and 2019/130), one evaluation report (IED-19-015) and one investigation report to the Department of Economic and Social Affairs.

33. The Department was overseeing three project offices in the Republic of Korea and Japan, namely: the United Nations Project Office on Governance, the United Nations Office for Sustainable Development (UNOSD) and the United Nations Centre for Regional Development (UNCRD). In its audit (2019/086), OIOS found that the mandates and objectives of UNOSD and UNCRD were neither current nor in line with the Department's priority of supporting Member States in the implementation of the 2030 Agenda. The project offices had not developed adequate logical frameworks and UNCRD did not have effective governance mechanisms to oversee its operations. The Department undertook to address these recommendations.

34. In its evaluation (IED-19-015), OIOS concluded that the Department effectively supported Member State progress towards implementation of the 2030 Agenda by facilitating intergovernmental decisions. The evaluation focused on the Department's integrated programme delivery efforts and covered subprogrammes 2, 3, 4 and 6. It was confirmed that the Department satisfactorily supported many mandates and was effective as the global convener on development issues, including the Sustainable Development Goals. It could achieve more impact from its research and analysis products and its capacity development work by strengthening results monitoring and evaluation. Work planning in the Department had improved but could be made still more comprehensive and strategic in order to fully integrate its subprogrammes. The Department undertook to implement all OIOS recommendations.

Department of General Assembly and Conference Management

35. OIOS issued one investigation report to the Department of General Assembly and Conference Management relating to the sexual abuse of a minor by a staff member.

Department of Global Communications

36. OIOS issued one evaluation report (IED-19-018), two investigation reports and two investigation closure notices to the Department of Global Communications.

37. In the evaluation report, the work of three subprogrammes (the Office of the Special Adviser on Africa, Economic Commission for Africa (ECA) and Department of Global Communications) in implementing the New Partnership for Africa's Development (NEPAD) programme was assessed. It was concluded that Secretariat support for the programme was relevant and in demand. However, improvements in strategic planning, coordination, stakeholder engagement and monitoring of implementation would ensure better programme coherence, effectiveness and

accountability for results. The entities involved undertook to implement the four critical recommendations.

Department of Management Strategy, Policy and Compliance

38. OIOS issued seven audit reports (2019/069, 2019/111, 2019/112, 2019/119, 2020/002, 2020/003 and 2020/13), three investigation reports, one investigation advisory report and two investigation closure notices to the Department of Management Strategy, Policy and Compliance. The investigations concerned fraud and other prohibited or unsatisfactory conduct.

39. In one investigation, it was found that a staff member had disclosed confidential information pertaining to another staff member.

Department of Operational Support

40. OIOS issued six audit reports (2019/069, 2019/111, 2019/112, 2019/119, 2020/002 and 2020/003), two investigation reports and two investigation closure notices to the Department of Operational Support.

41. In one audit (2019/069), OIOS noted that the Department, together with the Department of Management Strategy, Policy and Compliance, needed to manage risks such as inadequate funding, budget execution, project delays and cost overruns, and the deterioration of critical assets. The performance measurement system for facilities management activities was also inadequate. The two departments undertook to implement all OIOS recommendations.

Department of Safety and Security

42. OIOS issued one audit report (2019/065), six investigation reports, one investigation advisory report and two investigation closure notices to the Department of Safety and Security.

43. In one audit (2019/065), the effectiveness and efficiency of critical incident stress management in the Secretariat was examined. The Department had finalized and circulated several guidance documents on critical incident stress management covering provision of psychosocial services to United Nations personnel in the field. Several others had yet to be issued. The Department needed to strengthen its work planning and performance measurement system in order to facilitate the monitoring of activities and periodic assessment of the effectiveness of coordination and support provided by it for critical incident management. The Department stated that its field manual and monitoring and evaluation platform (both under development) would address many of the issues reported.

44. An investigation revealed that a United Nations staff member had physically assaulted their spouse, another staff member. The victim was relocated as a protective measure. The subject was placed on administrative leave and civil restraining orders were taken against them by the victim. The assault caused multiple traumas requiring reconstructive surgery. OIOS transmitted its findings to the Office of Human Resources for appropriate action and to the Office of Legal Affairs for possible referral to national authorities.

Executive Office of the Secretary-General

45. OIOS issued one audit report (2019/130) to the Executive Office of the Secretary-General.

46. The audit of the management of the United Nations Peace and Development Trust Fund (2019/130) showed that the Department of Economic and Social Affairs and the Executive Office of the Secretary-General conducted outreach activities to

improve the visibility of the Trust Fund, organized brainstorming exercises with implementing entities and complied with the donor reporting requirements. Owing to the wide range of priority areas, the Executive Office and the Department might wish to explore the possibility of identifying a small number of focus areas under the priorities of the Trust Fund, which would help entities to develop robust proposals with long-term impact. The project proposal review process was lengthy and could affect the timely implementation of projects. Guidance was also needed on planning and budgeting for annual evaluations. The Executive Office and the Department have initiated action to implement the OIOS recommendations.

International Residual Mechanism for Criminal Tribunals

47. OIOS issued one audit report (2019/136), one evaluation report ([S/2020/236](#)), one investigation report, one investigation advisory report and two investigation closure notices to the International Residual Mechanism for Criminal Tribunals.

48. In its evaluation, OIOS assessed the implementation of earlier OIOS recommendations on internal planning and human resource management. It concluded that the Mechanism was effective in reducing costs and flexibly deploying staff based on the workload. The proportion of women working in the Mechanism had risen as a whole and gender balance targets had been surpassed. It was continuing to work towards that goal in certain sections and to strengthen geographical diversity. The Mechanism needed to better coordinate and share information across the three organs and present clear and focused projections of case completion timelines. The Mechanism undertook to implement the two important recommendations.

Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States

49. OIOS issued one evaluation report ([IED-20-003](#)) to the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. The evaluation was focused on the effectiveness and efficiency of the Office of the High Representative in supporting the three country groups in achieving their respective programmes of action.

50. OIOS found that the Office of the High Representative, in fulfilling its advocacy mandate, provided an important voice and support in intergovernmental processes for the most vulnerable members of the Organization. It met its reporting mandate with timely and good-quality reports but further communication was needed on the utility of the publications. The subprogramme for Small Island Developing States effectively leveraged partnerships and networks to coordinate implementation of the programmes of action. The Office of the High Representative undertook to implement the four important recommendations and the Executive Office of the Secretary-General undertook to implement one important recommendation.

Office of the Special Adviser on Africa

51. OIOS issued one evaluation report ([IED-19-018](#)) to the Office of the Special Adviser on Africa.

52. OIOS concluded that the support provided by the Office of the Special Adviser on Africa for NEPAD was relevant and in demand. However, improvements in strategic planning, coordination, stakeholder engagement and monitoring of implementation would ensure better programme coherence, effectiveness and accountability for results. The entities involved (the Office of the Special Adviser on Africa, ECA and the Department of Global Communications) undertook to implement the four critical recommendations.

Office of the United Nations High Commissioner for Human Rights

53. OIOS issued two audit reports (2019/064 and 2019/071) to the Office of the United Nations High Commissioner for Human Rights (OHCHR).

54. The audit of the OHCHR country office in Colombia (2019/071) showed that, although there had been positive feedback from stakeholders on OHCHR activities being instrumental in promoting human rights in the country, the office needed to strengthen its engagement with the United Nations country team. The country office's organizational structure and control environment needed to be reviewed and strengthened, as did controls on procurement, asset management and business continuity planning. OHCHR accepted the recommendations and has initiated action to implement them.

55. The audit of the OHCHR country office in Mauritania (2019/064) showed that the office had focused on the thematic pillars in the OHCHR 2018–2021 management plan, which included support for the United Nations human rights system, integrating human rights in sustainable development and enhancing equality and countering discrimination. The country office needed to establish an achievable programme of work, considering the role of other key actors and lessons learned. Aspects of programme management and oversight over administrative and financial matters needed strengthening. OHCHR accepted the recommendations and has initiated action to implement them.

Economic Commission for Africa

56. OIOS issued two audit reports (2019/147 and 2020/013), one evaluation report (IED-19-018), one triennial review report (E/AC.51/2020/5) and two investigation closure notices to ECA.

57. The audit of the management of selected policy centres in ECA (2019/147) covered the African Trade Policy Centre, African Climate Policy Centre, African Land Policy Centre and African Minerals Development Centre. The centres were governed under a tripartite arrangement by three pan-African organizations (the African Union, the African Development Bank and ECA). The governance structure for the substantive work of the centres was formalized, but there was no framework for their internal administration, including for contractual relationships and resource mobilization. That resulted in inadequate capacity to execute approved business plans. The Joint Secretariat Support Office, which was supposed to build coherence and foster collaboration between the three pan-African organizations at the working level, was not adequately resourced. ECA undertook to implement the five OIOS recommendations.

58. In its triennial review of the 2017 thematic evaluation of the regional commissions (which was focused on their statistical work for measuring the achievement of the agreed development goals), OIOS determined that the five regional commissions had fully implemented all four recommendations.

Economic Commission for Europe

59. OIOS issued two triennial review reports (E/AC.51/2020/2 and E/AC.51/2020/5) to the Economic Commission for Europe (ECE). OIOS determined that all nine recommendations contained in the two earlier evaluation reports, one programme evaluation of the relevance and effectiveness of ECE and one thematic evaluation of regional commissions' statistical work had been implemented.

Economic Commission for Latin America and the Caribbean

60. OIOS issued one triennial review report (E/AC.51/2020/5) to the Economic Commission for Latin America and the Caribbean (ECLAC), in which the 2017

thematic evaluation of the regional commissions was examined. It determined that ECLAC had fully implemented all four recommendations.

Economic and Social Commission for Asia and the Pacific

61. OIOS issued one audit report (2019/072), one triennial review report (E/AC.51/2020/5) and one investigation report to the Economic and Social Commission for Asia and the Pacific (ESCAP).

62. In its audit of the management of trust funds, OIOS noted that ESCAP supported project activities in accordance with its mandate and terms of reference and complied with the applicable donor reporting requirements. However, it needed to update some policies and procedures in the area. The Commission could sharpen its reports for effective outreach and highlight success stories and achievements in capacity development. It also needed to update the needs assessment of climate and disaster preparedness activities to ensure that technical assistance activities were appropriately targeted and relevant. The Commission has addressed a gap identified by the audit and instituted a mechanism to assess whether the services of consultants are needed in capacity development projects and thereby ensure that they are not hired to perform the functions of regular staff. The Commission has implemented all OIOS recommendations due by June 2020 or earlier.

Economic and Social Commission for Western Asia

63. OIOS issued two triennial review reports (E/AC.51/2020/3 and E/AC.51/2020/5) to ESCWA.

64. The first of those reviews covered the 2017 evaluation of ESCWA, which had been focused on the Commission's overall relevance and effectiveness and in which five important recommendations had been made. OIOS determined that four recommendations had been implemented and one partially implemented.

United Nations Environment Programme

65. OIOS issued two audit reports (2019/095 and 2019/139), four investigation reports and two investigation closure notices to the United Nations Environment Programme (UNEP).

66. In the audit of the secretariat of the Convention on Biological Diversity (2019/095), it was indicated that the secretariat needed to strengthen resource management and implement a results-based approach and risk management. UNEP and the secretariat needed to document the lessons learned from a failed procurement action involving the lease of new office premises and establish accountability for the procurement of goods amounting to \$77,500 without a written contract and without competitive bidding. They also needed to address staff complaints and concerns and the root causes of high staff turnover and delays in recruitment. The secretariat needed to develop a policy and mechanism to facilitate evaluation of its multi-year programme of work. UNEP and the secretariat have initiated action to implement the recommendations.

67. An investigation found that a UNEP staff member had jeopardized the safety and security of United Nations staff operating in high-risk environments, attempted to embezzle UNEP funds, obstructed other United Nations personnel in the performance of their duties and failed to follow properly issued directions from supervisors. OIOS transmitted its findings to the Office of Human Resources for appropriate action and to the Office of Legal Affairs for possible referral to national authorities.

Ethics Office

68. OIOS issued one audit report (2019/083) to the Ethics Office.

69. OIOS found that the Ethics Office, since launching the leadership dialogue in the period 2012–2013, had achieved positive results, including the increased participation of staff and increased reporting of alleged misconduct following discussion of those topics. The format of the leadership dialogue was the most efficient training modality on ethics for reaching more than 30,000 participants with minimal additional expense. OIOS recommended ways to better account for the growing influence of the leadership dialogue on the organizational culture, which the Ethics Office undertook to implement.

United Nations Human Settlements Programme

70. OIOS issued one audit report (2019/093), one investigation report and one investigation advisory report to the United Nations Human Settlements Programme (UN-Habitat).

71. In the audit of the UN-Habitat Regional Office for Africa (2019/093), OIOS indicated that controls relating to programme implementation, monitoring and reporting needed to be strengthened. The Regional Office needed to expedite the development of an action plan to ensure efficient and effective implementation of the programme of work across sub-Saharan Africa. The monitoring and reporting framework had to be reviewed to align reporting with the expected results and ensure that progress on output and expected accomplishments was reported appropriately. The Regional Office needed to ensure that its projects were assessed in accordance with UN-Habitat's evaluation policy and that selection and retention of implementing partners was based on due diligence and regular performance reviews. Projects needed to be reviewed periodically in order to prompt action to close completed projects. The Regional Office for Africa has initiated an action plan to implement the OIOS recommendations.

United Nations Office at Geneva

72. OIOS issued two audit reports (2019/094 and 2019/101) and one investigation report to the United Nations Office at Geneva.

73. In a review of 9 of the 10 contracts entered into under the Strategic Heritage Plan as at 31 December 2018, with a cumulative not-to-exceed value of CHF 118 million (2019/094), OIOS found that the contracts had clauses and annexes essential for managing vendors' performance. The United Nations Office at Geneva needed to strengthen controls relating to the review and amendment of contracts and, for the contract on flexible workspace and related services, to document performance evaluations and to use a tracking sheet for deliverables. It should also improve controls on the processing of invoices to ensure that the amounts invoiced were adequately supported by evidence of work done and accurately computed. As at 30 June 2020, the United Nations Office at Geneva has advised, pending confirmation by OIOS, that it has implemented the two recommendations relating to those points.

74. In the audit of the Interpretation Service at the United Nations Office at Geneva (2019/101), it was noted that, although arrangements were in place for operational planning and monitoring of staff utilization, some of the key performance indicators in the annual work plan were generic and difficult to measure objectively and monitor. The United Nations Office at Geneva needed to: improve the administration of time and attendance; ensure that work plans in staff performance documents had clear, specific and measurable success criteria and included development plans; and ensure the timely submission of travel requests to optimize travel costs. The United Nations Office at Geneva has implemented all five recommendations as at 1 April 2020.

75. An investigation found that a staff member of the United Nations Office at Geneva had invited an intern for coffee and made unwelcome comments. OIOS transmitted its findings to the Office of Human Resources for appropriate action.

Office for the Coordination of Humanitarian Affairs

76. OIOS issued three audit reports (2019/126, 2020/005 and 2020/012), one triennial review report (E/AC.51/2020/6) and five investigation reports to the Office for the Coordination of Humanitarian Affairs.

77. The audits of operations of the Office for the Coordination of Humanitarian Affairs in Yemen, Iraq and Somalia (reports 2019/126, 2020/005 and 2020/012) covered three main areas: inter-agency coordination mechanisms, management of country-based humanitarian funds and administrative management of the country offices. Inter-agency coordination mechanisms in Yemen needed to be streamlined in order to minimize overlapping roles and responsibilities. The Yemen country office also needed to provide more assistance to the humanitarian coordinator and the humanitarian country team so as to improve policy and advocacy support on civil-military coordination. In Iraq, the national coordination structure for humanitarian activities was working as intended. In Somalia, unclear operational structures, deliverables and reporting requirements were hindering the coordination of humanitarian responses. The humanitarian country team there was not actively deliberating on how to implement the centrality of protection strategy.

78. In managing the Yemen humanitarian fund, the Yemen country office needed to strengthen procedures for detecting irregularities on the part of implementing partners relating to exchange rates used for reporting transactions carried out in local currency. Differences between official and parallel market rates gave rise to exchange gains that were not adequately reflected in project financial statements. Monitoring of compliance by United Nations partners with requirements to submit timely financial and narrative reports was inadequate and the performance evaluation of the service provider monitoring implementation of the Yemen humanitarian response plan was overdue. The governance structure for the Iraq humanitarian fund was adequate but the country office needed to provide guidance on the use of the consortium approach in order to increase the allocation of grants to national non-governmental organizations consistent with the Grand Bargain commitment on localization, and to review procedures for commissioning forensic audits. Programming, allocation and implementation of Somalia humanitarian fund projects were generally adequate, but improvements were needed to maximize the potential of the grant management system in managing implementing partners.

79. All three country offices were undertaking activities to prevent sexual exploitation and abuse. They all needed to conduct business continuity plan simulation exercises to maintain continuity of critical functions in case of emergencies or other disruptive events. The Office for the Coordination of Humanitarian Affairs also needed to finalize the memorandum of understanding with the United Nations Support Office in Somalia in order to formalize assistance by the latter to the Somalia country office.

80. The Office for the Coordination of Humanitarian Affairs undertook to implement all OIOS recommendations arising from the three audits.

81. An investigation revealed that a staff member of the Office for the Coordination of Humanitarian Affairs had engaged in inappropriate conduct towards at least 11 women, including colleagues and housekeeping staff at the subject's accommodation. Nine out of ten of the women interviewed, whose statements were assessed to be credible, reported feeling uncomfortable or feeling the need to be careful in the

subject's presence. OIOS transmitted its findings to the Office of Human Resources for appropriate action.

82. It was determined in the triennial review of the 2017 evaluation of the Office for the Coordination of Humanitarian Affairs (which had focused on its advocacy role) that one of the three earlier recommendations had been implemented and one partially implemented. The third had been closed on the understanding that management accepted the risk of its non-implementation.

United Nations Office on Drugs and Crime

83. OIOS issued one audit (2019/107) report, one evaluation report (IED-19-016), two investigation reports and two investigation closure notices to the United Nations Office on Drugs and Crime (UNODC).

84. It was observed in the audit that the UNODC Regional Office for West and Central Africa had a well-developed strategic planning document for mandate implementation in West Africa and that a strategy for Central Africa was being developed. However, the Regional Office needed to strengthen its engagement with the United Nations development system, develop a resource mobilization and communication strategy and ensure compliance with the human rights due diligence assessments when dealing with non-United Nations security forces. Controls relating to capacity-building activities, security and supply chain management also needed to be strengthened. UNODC accepted the recommendations and has initiated action to implement them.

85. OIOS concluded in its evaluation that UNODC programming contributed to strengthening capacity and developing laws that responded to transnational organized crime and illicit trafficking. Nonetheless, its effectiveness would be improved by greater strategic integration and cohesiveness in programming, closer collaboration with partners and better use of limited resources. UNODC undertook to implement the three important recommendations.

Secretariat (other entities)

86. An investigation revealed that a staff member at the Office of the 69th President of the General Assembly had been involved in a range of activities that included diversion of funds, misuse of assets and self-dealing in the discharge of duties. The staff member had used their position to advance their personal interests and those of third parties, received undeclared gifts, solicited funds that were diverted to unofficial accounts and engaged in unauthorized outside activities. OIOS transmitted its findings to the Office of Human Resources for appropriate action and to the Office of Legal Affairs for possible referral to national authorities.

87. An investigation revealed that a staff member had solicited a donation of \$15,000 from a permanent mission and other donations and then diverted the amounts into bank accounts that the individual controlled. It was also found that the staff member had not initially reported the donations, later underreported the amounts, instructed a colleague to produce false documents and submitted false invoices to justify expenditure. OIOS transmitted its findings to the Office of Human Resources for appropriate action and to the Office of Legal Affairs for possible referral to national authorities.

International Trade Centre

88. OIOS issued one report to the International Trade Centre (ITC) on its European Union-funded projects in Afghanistan (2019/060), in which it observed that the setting of objectives, reporting on progress and monitoring were adequate but that

project implementation and the coordination of institutional practices on engagement with country teams needed to be strengthened. ITC undertook to implement the recommendations.

Office of the United Nations High Commissioner for Refugees

89. OIOS issued 19 audit reports ([2019/068](#), [2019/073](#), [2019/077](#), [2019/080](#), [2019/081](#), [2019/088](#), [2019/091](#), [2019/102](#), [2019/103](#), [2019/106](#), [2019/110](#), [2019/115](#), [2019/117](#), [2019/118](#), [2019/120](#), [2019/125](#), [2019/133](#), [2019/140](#), and [2019/142](#)) and one triennial review report ([E/AC.51/2020/8](#)) to UNHCR.

90. In audits of 11 country operations, recurrent issues relating to protection, cash-based interventions (CBI), partnership management and procurement and supply chain management were noted. There was a need to: (a) strengthen the delivery of services and procedures on child protection, sexual and gender-based violence, refugee registration and durable solutions; (b) update CBI strategies, review CBI design and delivery modalities and enhance assessment of the quality, sufficiency and effectiveness of cash assistance to ascertain whether the CBI approach was having the desired impact; (c) better manage partnerships in order to reduce systemic weaknesses with regard to the selection and retention of partners, preparation of agreements and assessment of the capacity of partners to conduct procurement on behalf of UNHCR; and (d) strengthen controls relating to procurement planning, vendor performance and contract management.

91. OIOS also conducted seven headquarters, thematic and ICT audits and one review. In its audit of arrangements for the audit certification process for implementing partners ([2019/068](#)), OIOS concluded that there was a need to strengthen quality review mechanisms in order to mitigate the risk of inappropriate audit opinions being issued and to enhance the assessment of auditors' performance. In the audit of recruitment of international staff ([2019/091](#)), OIOS deemed that the process required improvement in order to ensure that staff were recruited in a fair, consistent and transparent manner. There should be guidelines on the advertisement of positions to ensure that the operational context was properly set out in vacancy announcements. In a thematic audit of health programmes ([2019/125](#)), OIOS concluded that health strategies were needed in country operations. There was also a need to strengthen monitoring and reporting of corporate health data and to improve global oversight of the allocation of resources for health programmes.

92. In its audit report on UNHCR field procurement management ([2019/120](#)), OIOS provided a synthetic analysis of recurring audit observations from 2016 to 2018. The UNHCR procurement function in field operations did not always achieve the best value for money, owing, at times, to insufficient planning, non-compliance with procurement procedures, a lack of the kind of vendor management that would allow effective competition, and the absence of review by the relevant committee on contracts. The issues were systemic and UNHCR needed to provide additional guidance and support to field operations, including by revising its Policy and Administrative Instruction on Procurement. UNHCR undertook to implement the three OIOS recommendations and has already implemented one of them.

93. OIOS conducted four ICT audits on: technology obsolescence ([2019/077](#)), the Global Service Desk ([2019/080](#)), the upgraded Payroll Module of the Managing for Systems, Resources and People system ([2019/106](#)) and ICT governance ([2019/140](#)). In the latter, OIOS found that there was a need to strengthen the ICT governance framework and overall monitoring and compliance activities by revising and consolidating the existing guidance and assessing the need for regional ICT governance structures. OIOS also identified a need to: enhance reporting on project budgets and expenditure and on ICT project dashboards; ensure the delivery of project

gate and post-implementation reviews; and ensure consistent usage of the standard ICT projects' documentation repository. UNHCR is taking action to implement the ICT-related recommendations and 8 of the 17 recommendations made in the above-mentioned reports have been implemented.

94. Of the 107 audit recommendations, UNHCR has implemented 62, including the two critical recommendations.

95. In its triennial review (E/AC.51/2020/8), OIOS determined that all five recommendations from the 2017 evaluation of UNHCR (which had focused on the role of UNHCR in the registration of refugees and asylum seekers) had been implemented.

United Nations Entity for Gender Equality and the Empowerment of Women

96. OIOS issued one inspection report (IED-19-012), six investigation reports and one investigation advisory report, and one investigation closure notice to the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women).

97. In its inspection report (IED-19-012), OIOS determined that UN-Women senior management and other stakeholders found corporate evaluations to be relevant and useful for the process of change management. The entity's evaluation policy was of high quality but no longer current. A revised policy was being finalized at the time of the inspection. The quality of evaluation reports produced was generally good; corporate evaluations were of higher quality than decentralized evaluations. UN-Women undertook to implement the OIOS recommendations.

98. An investigation revealed that the travel claims of a senior staff member of UN-Women had generated \$5,598 in extra costs. The staff member had also failed to disclose conflicts of interest and displayed favouritism in the awarding of two contracts to separate vendors. OIOS transmitted its findings to UN-Women for appropriate action.

United Nations Framework Convention on Climate Change

99. OIOS issued two audit reports (2019/070 and 2019/122) and one investigation report to the United Nations Framework Convention on Climate Change (UNFCCC).

100. The audit of the Conference Affairs Services programme (2019/070) showed that, although programme activities were being implemented in accordance with the programme budget and performance requirements, the planning of conference services required improvement so as to maximize the utilization of conference facilities. The audit of support and services provided to the constituted bodies at UNFCCC (2019/122) revealed that the provisions for safeguarding against potential conflicts of interest needed to be harmonized in their rules of procedure. A gender perspective also needed to be fully integrated into their work. UNFCCC has initiated action to implement the recommendations.

United Nations Joint Staff Pension Fund

101. OIOS issued four audit reports (2019/113, 2019/123, 2019/128 and 2019/132) and one investigation closure notice to the United Nations Joint Staff Pension Fund.

102. The audit of the financial reporting process and related systems in the Pension Fund (2019/113) revealed a need to integrate systems supporting the financial reporting process and thereby enhance efficiency in accounting for financial transactions. System limitations meant that benefit liabilities were recognized manually during the year-end closing and that reconciliations of individual contributions also had to be performed manually. Controls over the compilation of

financial statements needed to be strengthened in order to protect current and historical financial records from unauthorized access. The Pension Fund needed to institute an audit trail to prevent unauthorized changes in application configuration. The Pension Fund has initiated action to implement the recommendations.

103. The audit of services provided by a United Nations agency to the secretariat of the Pension Fund (2019/132) showed that more robust controls were needed over the management of those services, which were not procured on a competitive basis as required by General Assembly resolution 63/269. Market analysis was not conducted to assess the reasonableness of call centre services and comprehensive needs assessments were not done. There were weaknesses in the segregation of duties and project management. Project requirements were scattered in multiple agreements and did not facilitate budget allocation, monitoring and control. The Pension Fund did not reconcile services requested and provided, and inaccurately budgeted for the services to be provided by the agency. Contracts with the agency did not include performance indicators to assure quality of service. The secretariat has initiated action to implement the recommendations.

Office of the United Nations Register of Damage

104. OIOS issued one audit report (2020/006) to the Office of the United Nations Register of Damage, in which it was noted that, although strategic planning, programme management and arrangements for the provision of administrative services were generally satisfactory, rectifications of pending claims and mandatory training needed to be strengthened.

United Nations Relief and Works Agency for Palestine Refugees in the Near East

105. OIOS issued one triennial review report (E/AC.51/2020/4) and five investigation reports to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

106. OIOS investigations found: irregularities in the recruitment processes of certain senior officials; that three staff members may have breached the applicable national law in relation to the use of privately-owned vehicles with diplomatic license plates; that a senior official had engaged in unauthorized external activities; and that a staff member failed to properly disclose information related to a private sponsorship for a dependent child's education. OIOS transmitted its findings to the Executive Office of the Secretary-General for appropriate action.

107. In the triennial review (E/AC.51/2020/4), OIOS determined that both recommendations made in the 2017 evaluation of UNRWA (which had focused on its promotion of a decent standard of living for Palestine refugees) had been implemented.

United Nations System Staff College

108. OIOS issued one audit report (2019/092) to the United Nations System Staff College covering the provision of administrative services by the United Nations Development Programme.

United Nations University

109. OIOS issued one audit report (2019/141) to the United Nations University Institute of Computing and Society on the management of its operations, and one investigation closure notice to the United Nations University.

VII. Mandated reporting requirements

A. Construction activities

110. OIOS, in its audit of the Africa Hall and visitors centre construction projects in ECA (2020/013), attributed the almost two-year delay in carrying out those projects mainly to unsuccessful procurement activities and inadequate project governance. ECA had had to terminate the contract for the main construction works in January 2020 after the joint venture to which it had been awarded failed to meet its contractual obligations. The multi-stage request for proposal approach to establish a replacement contract for the main works, granted by special approval of the Assistant Secretary-General for Supply Chain Management, was ongoing in April 2020. The solicitation of bids for artwork restoration had also failed after it had been in progress for two years. ECA undertook to implement the OIOS recommendation to ensure that the dedicated procurement officer operated as part of the project team, including by advising it on procurement strategies and on liaison with the Procurement Division.

111. OIOS conducted three audits of the seismic mitigation retrofit and life-cycle replacements project at ESCAP, in 2017 (2017/049), 2018 (2018/054) and 2019 (2019/044). They covered activities such as construction pre-planning, and planning and design activities conducted between January 2016 and February 2019. OIOS postponed the 2020 audit owing to travel restrictions imposed as a result of the onset of COVID-19. Preliminary audit planning indicated that the tender for the main construction contract did not attract viable tenders. That, in addition to the potential impact of COVID-19 on the project, are risks that the project team needs to manage. OIOS will assess the effectiveness of controls to mitigate those risks during an audit planned for later in 2020, conditions permitting.

112. In its audit of the management of capital improvements and maintenance projects in the United Nations Secretariat in New York (2019/069), OIOS noted that Department of Management Strategy, Policy and Compliance and the Department of Operational Support needed to manage risks such as inadequate funding, budget execution, project delays and cost overruns, and the deterioration of critical assets. The performance measurement system for facilities management activities was also inadequate. The two departments undertook to implement all OIOS recommendations.

B. United Nations Compensation Commission

113. An OIOS audit (2020/007) showed that, as at 31 January 2020, \$49.2 billion of \$52.4 billion awarded had been paid, leaving an outstanding balance of approximately \$3.2 billion. In January 2020, it was projected that the balance would be fully paid by the end of 2021. That may be revised, however, because the level of income to the Compensation Fund has been affected by COVID-19 and other market factors. Arrangements for accounting of revenue deposited into the Compensation Fund and processing of claims payments continued to be adequate and effective.

C. United Nations Joint Staff Pension Fund

114. In its resolution 74/263, the General Assembly requested the submission of the report on the planned OIOS audit on the governance of the Office of Investment Management. OIOS completed the audit in early July 2020 and will introduce it to the Assembly during the main part of its seventy-fifth session. The audit covered: (a) the governance structure for the investment of Pension Fund assets; (b) the organizational structure of the Office of Investment Management and its internal committees;

(c) strategy setting and implementation for the Fund's investments; (d) performance management and accountability; and (e) the control environment in the Office of Investment Management. OIOS made two critical and eight important recommendations. The Executive Office of the Secretary-General has initiated action to implement OIOS recommendations in coordination with the Office of Investment Management.

D. International component of the Extraordinary Chambers in the Courts of Cambodia

115. An audit was conducted pursuant to General Assembly resolution [73/279](#). Overall, the international component of the Extraordinary Chambers in the Courts of Cambodia was supporting the completion of three cases, identifying efficiency-enhancing measures and effective processes to mitigate funding challenges and gradually reducing its staffing capacity. The United Nations Assistance to the Khmer Rouge Trials had applied cost-saving measures and streamlined processes in response to dynamic operational requirements. However, there was a need to monitor compliance with the requirement that defence lawyers be members of their home bar associations and to review and revise the memorandum of understanding with ESCAP for the provision of administrative support. The United Nations Assistance to the Khmer Rouge Trials undertook to implement the OIOS recommendations.

E. Procurement

116. In line with its mandated requirements (resolution [72/266 B](#) of 5 July 2018), OIOS conducted an audit of the strategic management of the procurement function in the United Nations Secretariat ([2019/111](#), see para. 23). It has also started an audit covering activities and information management systems used to develop demand and source plans in peacekeeping missions for goods as part of the supply chain management process, and an audit of post-employment restrictions for staff involved in the procurement function. The results of those audits will be reported in 2021.