General Assembly

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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 2017 to 30 June 2018**

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), 64/263 (para. 1) and 69/253 (para. 1). During the reporting period, from 1 July 2017 to 30 June 2018, the Office of Internal Oversight Services (OIOS) issued 365 oversight reports, including 11 reports to the General Assembly. The reports included 1,123 recommendations to improve internal controls, accountability mechanisms and organizational efficiency and effectiveness, of which 25 were classified as critical to the Organization. The recommendations were aimed at cost savings, overpayments recovery, efficiency gains and other improvements. The financial implications of the recommendations issued by the Office during the period amount to approximately $4.8 million, with $1.4 million in savings and recoveries already realized. The addendum to the present report provides a detailed analysis of the status of implementation of the recommendations, a breakdown of recommendations with financial implications and a complete list of the reports issued for all areas of OIOS work, including those relating to peacekeeping activities.

The present report does not cover oversight results pertaining to peacekeeping operations and special political missions, which will be submitted to the Assembly in document A/73/324 (Part II) during the resumed seventy-third session.

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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 investigations, internal audits, inspections and evaluations.

2.   The present report provides an overview of OIOS activities during the period from 1 July 2017 to 30 June 2018 but does not include oversight results pertaining to the Department of Peacekeeping Operations, the Department of Field Support, the Department of Political Affairs or the peacekeeping and special political missions, which will be submitted to the General Assembly in document A/73/324 (Part II) during the resumed seventy-third session of the Assembly. An addendum to the present report (A/73/324 (Part I)/Add.1) provides a detailed analysis of the status of implementation of the recommendations, a breakdown of recommendations with financial implications and a complete list of the reports issued for all areas of OIOS work, including those relating to peacekeeping activities.

II. Professional initiatives

A. Efforts to strengthen the functioning of the Office

3.   OIOS aims to carry out its work with the highest standards of professionalism and efficiency. Some initiatives undertaken during the reporting period to achieve this goal are highlighted below.

Internal Audit Division

4.   The Internal Audit Division follows the mandatory guidance issued by the Institute of Internal Auditors. The guidance includes the core principles for the professional practice of internal auditing, the International Standards for the Professional Practice of Internal Auditing, the code of ethics and the definition of internal auditing. The Professional Practices Section of the Division performed internal quality assessments of a selected sample of engagements to ensure that the engagements complied with the International Standards. The quality assessments confirmed that the selected engagements complied with the Standards, and also identified opportunities for improvement.

5.   During the period, the Division enhanced and streamlined its risk-based work planning process to more effectively capture emerging risks and ensure that it is fully aligned with the Organization's enterprise risk management strategy. The process also ensured that the Division's workplan focused on effectiveness and efficiency issues, areas with potential for fraud, and information and communications technology, as well as topical issues such as the Sustainable Development Goals and organizational culture. In line with the enterprise risk management framework of the Secretariat, the Division also updated its own risk register and is in the process of developing mitigating measures to address the risks identified.

6.   In addition, to further enhance its work and capacity to deliver high-quality audits that will have an impact, the Division continued to provide tools, practice guides and training to staff in the areas of fraud auditing, performance auditing, data analytics, gender mainstreaming and organizational culture. It also developed a strategy to assess the effectiveness of the Secretariat in supporting Member States in implementing the Sustainable Development Goals. The strategy includes: (a) assessing risks related to the Goals in its annual risk-based audit planning;

(b) conducting audits of mainstreaming of the Goals into Secretariat programmes and capacity development activities; and (c) sharing experiences gained in auditing the Goals with other oversight bodies, including the United Nations Representatives of Internal Audit Services.

Inspection and Evaluation Division

7.   The Inspection and Evaluation Division continued its capacity development activities, focusing in 2018 on the strengthening of core evaluation skills through a three-part training series on quantitative methods. The first session focused on basic quantitative reasoning, the second on sampling and data weighting as means of extrapolating from samples to populations (e.g. people, documents or direct observations) in valid and reliable ways, and the third, to be conducted in late 2018, on inferential statistics. The dual purpose of the series was to underline good practice for the use of those methods as currently employed in the Division, and to prompt creative thinking about new and different ways of employing them in future evaluations. The Division also hosted a range of individual sessions on information technology: two related to the web-based survey development tool used by the Division, one related to Unite Docs and OneDrive, and one related to data mining.

Investigations Division

8.   In 2017 and 2018, the Investigations Division conducted three Open Source Intelligence Training courses to equip OIOS investigators with essential skills to conduct professional open-source research. The Division also conducted a training course for national investigations officers, who are tasked, on behalf of Member States, with investigating misconduct by uniformed peacekeepers.

9.   The Division continued to chair the standing task force on improving the investigation of sexual exploitation and abuse and is leading the development of uniform principles and guidelines for investigations of sexual exploitation and sexual abuse. With input from civil society and external partners, the uniform guidelines present a commitment from the United Nations Representatives of Investigative Services to strengthening investigations by ensuring a victim-centred approach and specialist response. This includes a consolidation of United Nations capacities in response to reported allegations of sexual exploitation and abuse through a harmonized approach to receiving reports across the United Nations system.

10.   Since the issuance in October 2017 of the administrative instruction entitled "Unsatisfactory conduct, investigations and the disciplinary process" (ST/AI/2017/1), the Division has implemented the centralized reporting of all allegations of unsatisfactory conduct to OIOS and, as appropriate, has facilitated the referral of cases to the responsible official.

11.   The Division also continued to work with appropriate Secretariat stakeholders on cross-cutting organizational policy issues, such as better ways to streamline the Organization's approach to protection against retaliation, and through participation in a working group on revisions to Secretary-General's bulletin ST/SGB/2008/5, entitled "Prohibition of discrimination, harassment, including sexual harassment, and abuse of authority".

B.   Cooperation and coordination

12.   OIOS coordinated regularly with other United Nations oversight entities, including the Board of Auditors and the Joint Inspection Unit, to ensure that gaps, duplication and overlap in oversight work were minimized. During the reporting

period, OIOS professionals actively participated in their respective professional networks, as described below.

13.   The Inspection and Evaluation Division facilitated discussion groups and presented at the United Nations Evaluation Group evaluation practice exchange, held in Rome in May 2018. One presentation focused on recent experience using social media analytics to capture outreach, media coverage and perceptions of the United Nations. It shared how an online application was used to collect and analyse relevant data for two evaluations conducted by the Division in 2017–2018 in partnership with the Global Pulse initiative of the Secretary-General. In addition, the Division facilitated sessions related to evaluation methodology and approaches.

14.   The Internal Audit Division continued to participate in the work of the Meeting of Representatives of Internal Audit Services of the United Nations Organizations and Multilateral Financial Institutions. During the reporting period, the Division served as one of the Vice-Chairs of the body and as its secretariat. It also led a working group established to explore ways to strengthen joint and coordinated audits of the response of the United Nations system to humanitarian emergencies. The objective of that exercise is to expand the scope of such audits beyond jointly funded activities, to also provide joint assurance over the effectiveness of the humanitarian response at the country level, regardless of the source of funding. This is an ongoing effort.

15.   The Investigations Division provided logistical and investigative assistance to the International Labour Organization, the United Nations Development Programme (UNDP) and the Office of the United Nations High Commissioner for Human Rights (OHCHR). The Division also provided digital forensic expertise to the International Civil Aviation Organization and conducted three digital forensic investigations for the United Nations Population Fund (UNFPA).

16.   The Deputy Director of the Investigations Division in New York continued to act as the Deputy Coordinator of the United Nations Representatives of Investigative Services. OIOS hosted the eighteenth Conference of International Investigators and the meetings of the United Nations Representatives of Investigative Services, together with UNDP, UNFPA and the United Nations Children's Fund (UNICEF). Furthermore, OIOS established in 2017 and currently chairs the inter-agency digital investigations working group, a consultative forum of practitioners in the field of digital investigations, open to all organizations of the United Nations common system. The group recently developed and distributed digital investigations guidelines with the aim of protecting the authenticity, integrity and confidentiality of digital evidence and to increase the reliability of the results of digital forensic analysis.

III. Impediments to the work of the Office

17.   During the period, through its risk assessment, OIOS identified the need for the Office of the United Nations High Commissioner for Refugees (UNHCR), which is funded primarily through extrabudgetary resources, to be subject to independent evaluation. In the past, OIOS had funded evaluations of UNHCR from its own resources. The Independent Audit Advisory Committee, in paragraph 18 of its report on the proposed programme budget for OIOS for the biennium 2012–2013 (A/66/85) and again in paragraph 25 of its report for the biennium 2016–2017 (A/70/86), recommended that OIOS revisit the issue of funding arrangements for cost recovery with respect to programmes funded from extrabudgetary resources. Consequently, OIOS had requested funding support for an OIOS evaluation of UNHCR to be conducted in the 2018–2019 biennium. The provision of funds for OIOS evaluation would extend the existing OIOS practice to the funding of OIOS audit and
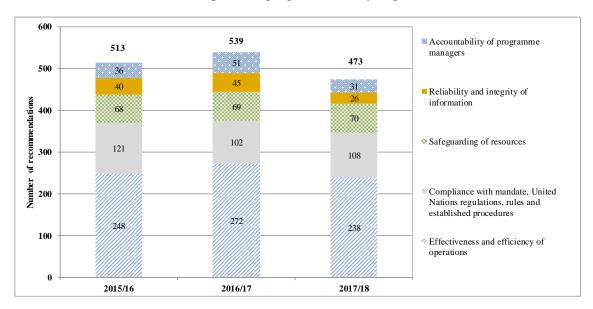
investigations services provided to UNHCR. Given that UNHCR had not provided funds for its evaluations by OIOS in the past, UNHCR concluded that it would not be able to contribute to the OIOS evaluation. UNHCR further noted that it had recently established its own independent evaluation function on the recommendation of oversight bodies, which was intended to serve as a means of ensuring accountability and transparency towards Member States and all stakeholders. The distinct role of the Inspection and Evaluation Division of OIOS as an independent oversight evaluation function is underlined in General Assembly resolutions 48/218 B and 54/244, as well as 59/272, in which the Assembly decided that the reports of OIOS would be submitted directly to the Assembly. Given that the Committee for Programme and Coordination had included the evaluation of UNHCR among the evaluation reports that it would consider at its 2019 session, OIOS used its regular budget resources for the evaluation. Consequently, the lack of budgetary support from UNHCR affected the ability of OIOS to evaluate other entities in a timely manner; specifically, two planned evaluations had to be deferred, and the concerned entities will not be evaluated within the mandated cycle.

IV. Internal audit recommendation trend analysis

18.   Audit recommendations were classified according to the five categories of impacts: (a) reliability and integrity of information; (b) compliance with the mandate, United Nations regulations, rules and established procedures; (c) effectiveness and efficiency of operations; (d) safeguarding of resources; and (e) accountability of programme managers. Figure I shows the trend over the past three years. In each of those years, the majority of the recommendations related to effectiveness and efficiency of operations. The figures included in the present section exclude reports and recommendations on peace operations.

Figure I
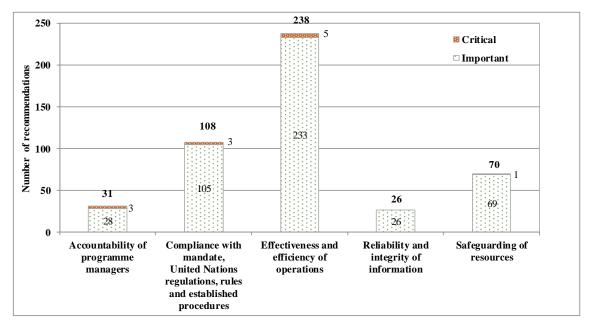**Audit recommendations on non-peacekeeping activities, by impact**

19.   Figure II shows the distribution of critical versus important audit recommendations issued during the reporting period, by impact. Specific information on all reports issued during the reporting period, including the number of critical and important recommendations, can be found in the addendum to the present report.

Figure II
Audit recommendations on non-peacekeeping activities, by impact,
1 July 2017–30 June 2018[1]

V. Oversight results

20. Internal audit and evaluation reports are available for review on the OIOS website. The selected significant and topical oversight results described below resulted in specific recommendations and management action plans that are outlined in the corresponding individual reports.

A. Internal Audit Division

Thematic audit of education grant disbursements

21. OIOS, continuing to focus on thematic and cross-cutting issues, conducted a series of audits of education grant disbursements in various Secretariat departments and offices and UNHCR. During the period under review, 18,966 claims totalling $211 million were processed. Audits of a sample of 1,729 claims totalling $21.5 million identified the following issues: (a) inadequate monitoring of delegation of authority; (b) inconsistent policy interpretations; (c) inadequate monitoring mechanisms to recover long-outstanding education grant advances; (d) inaccurate calculations; (e) incomplete and inaccurate information provided by staff members; (f) inadequate records management; and (g) lack of monitoring procedures to address the risk of fraud.

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[1] Recommendations are classified as critical or important. Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review. Important recommendations address reportable deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

22. The audits also identified: (a) overpayments of $409,000 (100 claims); (b) underpayments of $119,000 (36 claims); (c) potential recovery of $333,000 for unsupported payments (31 claims); and (d) long-outstanding advances in the amount of $518,000 (37 claims). There were also indicators of potential fraud in the amount of $275,448, which were referred to appropriate bodies for further action.

23. To address the issues identified in the audits, OIOS made 47 recommendations, and clients have initiated action plans for their implementation. Those recommendations resulted in revisions to policies and procedures and improved controls over the administration of education grant entitlements.

Information and communications technology

Post-implementation audit of the Integrated Pension Administration System of the secretariat of the United Nations Joint Staff Pension Fund

24. The secretariat of the United Nations Joint Staff Pension Fund had made progressive efforts to implement and stabilize the Integrated Pension Administration System. Payroll processing had run as scheduled. However, issues relating to the project needed to be addressed, including: correcting data integrity issues; prioritizing the implementation of actuarial exports; completing the straight-through processing of internal workflows to reduce manual activities; implementing problem management procedures; completing an information and communications technology security assessment; and establishing a baseline for the System's availability and monitoring its performance. The Fund secretariat did not accept 4 of 13 recommendations made, including to: (a) prioritize and implement outstanding deliverables; (b) complete the testing of all benefit types; (c) enable automated controls to detect and report on non-compliant pensionable remuneration rates; and (d) consolidate the costs of all components of the project. While OIOS reiterated the four unaccepted recommendations, which related to significant control deficiencies, they were closed without implementation following management's acceptance of residual risks.

Audit of Umoja implementation in the United Nations Office at Geneva and Geneva-based entities

25. The United Nations Office at Geneva and the Geneva-based entities that it supports had established good project management practices for the deployment of Umoja, such as coordination, communication and clear delineation of roles and responsibilities. However, some improvements were required in the areas of process, system design, configuration, reporting and data management. These included the need to: (a) realign the Umoja benefit realization plan with the status of implementation to determine where quantitative benefits and gains could be realized; (b) implement the plan for addressing issues regarding multi-currency budget requirements; (c) review the design of the grants management module; (d) rationalize and re-engineer workflows across all processes; (e) implement the production support strategy and deploy support mechanisms to cover policy and process issues; and (f) establish a roll-out plan for the deployment of Umoja to the OHCHR field offices.

Audit of websites and social media at Headquarters

26. The Department of Public Information and the Office of Information and Communications Technology had implemented some good practices with regard to the management of social media and websites, including data classification procedures, social media content monitoring and incident management procedures. However, website management needed to be improved by using the standard project

management framework, decommissioning obsolete websites, performing network vulnerability assessments on a regular basis and improving disaster recovery plans.

Office of the United Nations High Commissioner for Refugees

Audit of the registration and case management system (proGres version 4)

27.   The audit of the proGres version 4 registration and case management system covered expenditures of $19.6 million and identified a critical need to adequately monitor and report on the system's project deliverables against the project scope, budget and timelines. UNHCR also needed to, inter alia, conduct a gap analysis between system requirements and business needs, review the project roles and responsibilities, enhance user and performance acceptance testing and finalize and formally endorse the system's global deployment strategy.

Audit of shelter programmes

28.   The audit of shelter programmes in field operations covered expenditures of $516 million. UNHCR needed to: (a) clarify the scope of the global strategy for settlement and shelter, strengthen monitoring of country-level shelter strategies and reinforce the capacity of field operations to conduct shelter needs assessments; (b) enhance focus on urban shelter solutions; (c) provide guidance on construction and technical monitoring of shelter activities; (d) implement fire risk mitigation measures for installed refugee housing units; and (e) enhance performance monitoring and reporting on shelter management.

Audits of information and communications technology management

29.   The audit of the use of telecommunication devices and telecommunication expenditure control and billing concluded that UNHCR needed to: review and update its mobile and fixed-line telephony policy; improve controls over the allocation of telecommunication devices and use of data roaming; and ensure the timely verification of calls, including recovery of the cost for private usage. The audit on the adequacy of the network bandwidth in field operations identified a need to revise guidance on the allocation of network bandwidth and strengthen bandwidth capacity planning and monitoring of bandwidth usage.

Advisory review of the implementation of the enterprise risk management policy and procedures

30.   Three years after the adoption by UNHCR of its enterprise risk management policy and procedures constituting its enterprise risk management framework, the framework was firmly in place and had gained acceptance, although it had yet to fully permeate the organizational culture. OIOS concluded that there was scope for further improving the framework as UNHCR became more risk mature, and identified 12 areas for further improvement.

Advisory review of the implementation of risk management and control responsibilities of the second line of defence

31.   OIOS concluded that, in order to further strengthen its second line of defence, UNHCR could consider: (a) clarifying the performance- and compliance-monitoring responsibilities of the entities constituting the second line of defence, and developing annual, risk-based monitoring plans at the regional level, led by the regional bureaux; (b) formalizing functional reporting lines in the implementation of responsibilities pertaining to the second line of defence; and (c) designing the future organizational structure of UNHCR with due regard to the "three lines of defence" model that it had adopted.

Systemic issues in audits of field operations

32. In the 16 audits of UNHCR field operations completed during the period, systemic issues were identified in two primary areas. In partnership management, 13 of the 16 audits identified significant control weaknesses in the monitoring by UNHCR of partners' project activities. In vendor management and procurement, 12 of the 16 audits identified recurring weaknesses related to vendor registration, the functioning of the committees on contracts, and the transparency and competitiveness of the procurement processes. Many of the recurrent issues in partnership management and vendor management and procurement had been systematically raised by OIOS in previous years. OIOS continued to highlight the need for UNHCR management to address the root causes of those weaknesses.

Office for the Coordination of Humanitarian Affairs

Audit of strategic communications

33. The Office for the Coordination of Humanitarian Affairs had adequate work planning and performance reporting processes in place for outreach and advocacy, as well as a media monitoring mechanism. However, the Office needed to: establish a strategic communications policy framework; define the respective roles and responsibilities of organizational units for implementing identified communications activities; clarify responsibility for the achievement of the overall objective of the humanitarian emergency information and advocacy subprogramme; prioritize the recruitment of key vacant posts in the Strategic Communications Branch and reassess the capacity of the Branch to fully deliver its activities and outputs, considering its current staffing and financial environment.

Department of Economic and Social Affairs

Audit of the Junior Professional Officers programme

34. The Department of Economic and Social Affairs ensured that the recruitment and placement of candidates for the Junior Professional Officers programme were in place, with adequate female representation. However, the Department needed to: propose that the General Assembly amend the broad principles of the programme to reflect evolving requirements; develop a policy and practice framework to clarify the roles and responsibilities of Secretariat departments and offices and major participating donors for the effectiveness and accountability of the programme; and periodically report on the substantive activities of the programme.

Audit of the regular programme of technical cooperation

35. The regular programme of technical cooperation complements the regular budget, extrabudgetary and Development Account funding appropriated to the development pillar of the Secretariat programmes, including to support Member States in implementing the Sustainable Development Goals through capacity development activities. The Office of Programme Planning, Budget and Accounts needed to ensure that all implementing entities highlight, in the overall orientation segment of their strategic frameworks, their responsibility for implementing programme activities. In addition, an effective coordination mechanism and a comprehensive capacity development strategy were needed to ensure the complementarity of programme-funded activities among the programme's implementing entities and to report on the activities conducted. The programme also needed to be evaluated to assess whether it was achieving its intended objective.

Economic and Social Commission for Asia and the Pacific

Audit of the environment and development subprogramme

36. The Economic and Social Commission for Asia and the Pacific (ESCAP) adequately serviced intergovernmental processes and would benefit from strengthening its risk management and annual work planning processes. ESCAP also needed to clarify the roles and responsibilities of key authorities and organizational units leading the mainstreaming of the Sustainable Development Goals into ESCAP subprogrammes; formalize a mechanism to use voluntary national review reports as a source for identifying the needs of Member States in terms of programming capacity-building activities; and explore the possibility of cooperating with the oversight institutions of Member States, such as the supreme audit institutions, on activities related to the follow-up and review of the 2030 Agenda for Sustainable Development.

Economic Commission for Latin America and the Caribbean

Audit of the sustainable development and human settlement subprogramme

37. The Economic Commission for Latin America and the Caribbean (ECLAC) initiated action to support the implementation of the Sustainable Development Goals and adequately managed technical cooperation activities. However, ECLAC needed to develop and implement an action plan to collaborate with supreme audit institutions in implementing the 2030 Agenda and to strengthen controls over work planning.

Department of Management

Audit of the management of the memorandum of understanding between the United Nations Secretariat and a United Nations agency

38. The Department of Management developed guidance to support the governance and implementation of the memorandum of understanding, under which the Secretariat disbursed $358 million during 2016. The Department, however, needed to: (a) monitor the use of delegated authorities to enter into financial agreements with the agency; (b) develop procedures to benchmark costs proposed by the agency before deciding to engage it; (c) establish sufficient parameters to strengthen performance monitoring of projects implemented by the agency; and (d) explore the possibility of renegotiating the management fee in lieu of annual refund provisions.

Secretariat of the United Nations Framework Convention on Climate Change

Audit of partnerships and resource mobilization

39. The secretariat of the United Nations Framework Convention on Climate Change, through various partnerships, was mobilizing cash and in-kind contributions. However, it needed to develop and implement: (a) a secretariat-wide strategic plan, aligned with its evolving functions and operations in the light of the Paris Agreement and the Sustainable Development Goals; and (b) a resource mobilization policy aligned with its strategic plan, targeted at addressing the funding gap and expanding the donor support base. There was also a need to: build the capacity of staff involved in partnerships and resource mobilization activities; strengthen controls to ensure that mandatory legal clearance is obtained before concluding partnership agreements; and develop and implement procedures to ensure that all requirements are met when selecting partners.

United Nations Joint Staff Pension Fund

Audit of procurement and contract management in the Fund's secretariat

40.   The Fund's secretariat needed to strengthen its contract management practices and processes to secure best value for money by: (a) ensuring that work orders issued to contractors are within the contract scope and the related statement of work; (b) sourcing new requirements competitively and transparently; (c) ensuring that payments against the completion of milestones are made in full compliance with contractual provisions; and (d) ensuring that cost-benefit analysis is documented for options such as subscriptions for upgrades before payments are made for such subscriptions. The Fund's secretariat did not accept two out of four recommendations. OIOS reiterated their importance to addressing significant control deficiencies relating to fairness, transparency and accountability in contract management. The unaccepted recommendations were closed without implementation following management's acceptance of residual risks.

Audit of procurement and contract management in the Investment Management Division of the Fund

41.   The Investment Management Division needed to: (a) collaborate with the Fund's secretariat to review the Fund's current occupancy on various floors of the 1 Dag Hammarskjöld Plaza building for appropriate rationalization and redistribution of office space to prevent unnecessary expenditures; (b) take action to recover the landlord's share (amounting to $923,880) of the renovation cost; (c) assess the investment expertise available in-house to manage each investment portfolio and determine the need for external investment advisers accordingly; and (d) strengthen its acquisition planning and initiate timely action for the solicitation of goods and services relating to expiring contracts, instead of repeatedly extending them.

Office of the United Nations High Commissioner for Human Rights

Audit of operations in Cambodia

42.   The office in Cambodia developed a strategy document aligned with the OHCHR strategic priorities. It planned and monitored its operations effectively, coordinated its work with the United Nations country team and mainstreamed human rights issues into the team's activities and the United Nations Development Assistance Framework. However, the office needed to evaluate its programme, particularly its training activities that had been ongoing since its establishment in 1993, and to expedite the migration of information on human rights violations to the OHCHR human rights case database to enhance the security of the information.

United Nations Office on Drugs and Crime

Audit of the United Nations Office on Drugs and Crime framework for engagement of external parties

43.   The framework for engagement of external parties of the United Nations Office on Drugs and Crime (UNODC), developed to guide programme implementation using external parties, achieved its objectives. However, there was a need to review and update the framework and strengthen its application by taking into consideration feedback from users, policies and guidance currently under development by the Office of Programme Planning, Budget and Accounts and the new Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat.

Audit of the management of the Global Programme on Strengthening the Legal Regime against Terrorism

44.   The activities and outputs of the Global Programme on Strengthening the Legal Regime against Terrorism were generally in accordance with the UNODC mandate and contribution agreements. However, UNODC needed to: institute adequate controls to prevent inadvertent leakage of sensitive information by participants of technical assistance training and workshops; systematically record stakeholders' feedback for consideration during subsequent revisions to the Programme; consult available national voluntary reviews of the country where projects are planned to be implemented; and improve gender mainstreaming in technical cooperation projects.

United Nations Office at Geneva

Audit of safety and security arrangements for the strategic heritage plan project

45.   The objective of the strategic heritage plan approved by the General Assembly in its resolution 68/247 A is the renovation of the ageing buildings and related restoration and renovation works of the Palais des Nations. This includes safety and security upgrades within the existing buildings. The United Nations Office at Geneva had developed security, health and safety operation plans to protect staff and assets during the project; it had also established mechanisms to identify, monitor and address safety and security risks that could have an impact on the project design and costs. However, the Office needed to ensure that essential security requirements were identified and prioritized in the project's security budget, and any gaps reported for appropriate action. There was also a need to: review the staffing requirements for the security project coordination team for the next phase of the project; assess security operational requirements so that any anticipated budget shortfalls are identified and addressed in a timely manner; and strengthen procedures for accrediting and vetting contractor personnel. Following an increase in the security assessment threat level in Switzerland in July 2016, the Office undertook a comprehensive security assessment for the entire grounds of the Palais des Nations and developed a security master plan to address the increased security requirements across the Office campus.

United Nations Office at Nairobi, United Nations Environment Programme and United Nations Human Settlements Programme

Audit of management of benefits and allowances

46.   From 1 June 2015, benefits and allowances for staff of the United Nations Office at Nairobi, the United Nations Environment Programme (UNEP) and the United Nations Human Settlements Programme (UN-Habitat) were managed centrally by the Office through Umoja. The Office needed to strengthen control over the management of overtime, medical insurance, rental subsidy and residential security payments by ensuring that: (a) overtime allowances and compensatory time off are properly regulated and inadmissible overtime payments are recovered; (b) staff enrolment in the medical insurance plan is completed within the stipulated time frame and co-pay is recovered from staff in a timely manner; (c) staff submit lease agreements that itemize and quantify all extra charges included in gross rent, and periodically certify that the rent declared in their rental subsidy application did not include inadmissible charges; and (d) residential security payments are made on the basis of adequate and valid supporting documents only.

United Nations Environment Programme

Audit of the UNEP secretariat services for the Convention for Cooperation in the Protection, Management and Development of the Marine and Coastal Environment of the Atlantic Coast of the West, Central and Southern Africa Region (Abidjan Convention) and its Protocols

47.   UNEP was providing secretariat services to the Abidjan Convention in accordance with its mandate. However, it needed to, among others: bring to the attention of Member States the need to establish a steering committee to facilitate the effective implementation of the action plan; ensure that its staff comply with the rules of procedure concerning the functions of the Abidjan Convention secretariat and the management of official meetings; establish a resource mobilization strategy for the Abidjan Convention secretariat, to ensure its financial viability; establish a capital reserve fund for the Abidjan Convention trust fund; and ensure that projects under the Abidjan Convention are monitored and their performance reported throughout the project life cycle.

United Nations Conference on Trade and Development

Audit of technical cooperation projects in the Division on Investment and Enterprise

48.   The activities and outputs of the Division on Investment and Enterprise were in accordance with the strategic priorities outlined in the biennial work programme of the United Nations Conference on Trade and Development (UNCTAD). However, controls needed to be strengthened by: (a) instituting a mechanism to ensure the use of available national voluntary reviews of the country where projects are planned to be implemented; (b) ensuring that the Sustainable Development Goals are mainstreamed into technical cooperation projects at the project design stage; (c) developing guidelines on engaging with non-traditional donors, including due diligence checks to be performed before accepting their contributions; and (d) ensuring that division directors comply with the requirement of internal reporting on the progress of individual projects to enhance oversight during the implementation of technical cooperation projects.

B.   Inspection and Evaluation Division

49.   The Division issued six non-peacekeeping evaluations, of which the evaluation of the International Residual Mechanism for Criminal Tribunals was requested by the Security Council. The Division also submitted seven triennial reviews to the Committee for Programme and Coordination in June 2018.

Department of Management

50.   The evaluation of the Department of Management focused on support to human resources management by the Office of Human Resources Management. The Office has provided critical human resources support to the Organization. However, its client orientation was overwhelmed by multiple priorities, including leading continuous Secretariat-wide reforms and initiatives and the challenging task of developing a human resources policy framework based on diverse Member State interests. The current framework was assessed to be very large, fragmented and outdated. Multiple bulletins and issuances covered the same topic, and 41 per cent of administrative issuances were at least 15 years old. The policy framework required significant interpretation and judgment, leading to inefficiencies. Clients were often unsure about their human resources delegation of authority. The Office had made progress on individual components of talent management, developing tools for workforce

planning and introducing cost-effective training and development options. However, recruitment policies, processes and practices had not fully supported the hiring of the best talent, and performance management was mechanical. There was little integration of the different components. Workforce planning was not used for targeted recruitment, and career development was not tied to performance.

Department for General Assembly and Conference Management

51. The evaluation of the Department for General Assembly and Conference Management focused on its planning system for its programme of work from 2014 to 2017. The Department experienced growing demand for conference services amid declining budgets, which underlined the need for robust planning. To meet the needs of various work streams and locations, the Department employed multiple planning systems. The level of harmonization of systems within and across duty stations was inadequate, particularly in information technology applications supporting document management. Despite a lack of full harmonization, each duty station delivered its programme of work effectively. However, the Department showed signs of strain; if budget and demand trends continued, it would likely face a service delivery risk. Planning improvements constituted a critical aspect of efforts to address internal and external factors affecting its work. However, the effective management of external factors was elusive, as resolution of the most significant and persistent challenges required Member State guidance. Those challenges included the growing demand for unplanned and non-mandated conference services without commensurate resources, and clients' non-adherence to conference service commitments.

Department of Public Information

52. The evaluation of the Department of Public Information examined the relevance, efficiency and effectiveness of key departmental outputs to communicate and build support for the United Nations, given the changing media and communications environment. The Department made notable strides in responding to that change as it increased web and social media presence and influence while still working with traditional media. The Department lacked strategic direction and prioritization, owing in part to frequent leadership changes and structural constraints that led to some inefficiencies, but had largely fulfilled its extensive mandates. Partnerships had enabled the Department to have a greater reach, but its ability to tailor messages on a broad range of issues to different audiences varied. The effectiveness of the Department's field offices was mixed, but those offices enabled the Department to have a presence at the local level and helped to amplify messages through partnerships and campaigns. Lastly, the Department provided effective support to United Nations system partners, but its lack of a coordination mandate meant that it could not overcome their varied approaches and priorities.

International Residual Mechanism for Criminal Tribunals

53. The evaluation of the International Residual Mechanism for Criminal Tribunals (S/2018/206) focused on its consolidation, coordination and organizational arrangements in becoming a self-standing institution, across two branches, through an assessment of the relevance, efficiency and effectiveness of its structure and design; policy and procedural coherence; managerial practices; and ability to anticipate, plan for, monitor and respond flexibly to dynamic workloads. In consolidating the residual functions of the International Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda across two continents, the Mechanism achieved much of what the Security Council had envisaged in its resolution 1966 (2010). The Mechanism progressed towards its mandate to be small and efficient through a gradual and multidimensional process, requiring both

intra-office integration and inter-branch coordination. Its three organs, namely the Chambers, the Office of the Prosecutor and the Registry, planned and managed those processes with varying success. Two large-scale projects, the post-construction phase of the Arusha facilities and a unified database of the judicial records of both Tribunals, proved challenging and experienced delays. In some offices, incongruent work cultures between the branches remained. Despite sustained demand for greater efficiency, Mechanism staff expressed high satisfaction with and dedication to their jobs.

Offices of the Special Representative of the Secretary-General for Children and Armed Conflict, the Special Representative on Sexual Violence in Conflict and the Special Representative on Violence against Children

54.   The evaluation of the Offices of the Special Representative of the Secretary-General for Children and Armed Conflict, the Special Representative on Sexual Violence in Conflict and the Special Representative on Violence against Children examined their relevance and effectiveness in catalysing change in their respective areas. Despite the political and operational challenges that they faced, as well as their small size, the Offices were effective champions in their thematic areas. This included catalysing positive action in country and regional contexts where they worked effectively to broker and facilitate commitments with a range of parties. Efforts to catalyse change using traditional and social media had mixed results. While the Offices were effective in coordination and mainstreaming with United Nations partners, their activities faced challenges, such as lack of clarity on the forms and desired outcomes of partner coordination. In some cases, the Offices lacked distinct and discrete strategic plans and did not adequately identify where and how to focus limited resources. Furthermore, the Offices did not sufficiently coordinate among themselves, although when they did it resulted in positive outcomes. Despite their effective use as advocacy tools, the reporting systems of the Offices of the Special Representative for Children and Armed Conflict and the Special Representative on Sexual Violence in Conflict sometimes lacked coherence.

Office for Disarmament Affairs

55.   The evaluation of the Office for Disarmament Affairs reviewed the effectiveness, efficiency and relevance of its three functional pillars, namely normative work, technical assistance, and information and outreach. Its work programme was assessed to be consistent with its mandate and largely responsive to stakeholder needs. The Office was considered a key impartial broker and technical partner on disarmament issues. Despite the broad relevance of its work, the lack of a deliberate, systematic and holistic approach to strategic planning hindered its potential for maximum relevance. The Office successfully delivered most planned outputs, but related results were only partly known, owing to a long-standing lack of systematic outcome-level monitoring, evaluation and reporting. While the Office implemented its workplan against a challenging operating context, a broad mandate and unstable funding resources, it did not fully harness its internal assets, structures and functions, or external partnerships to achieve maximum results within existing capacity. The Office made some contributions to the Sustainable Development Goals but did not systematically frame its work to concretely support them, nor did it embrace a clear and coordinated approach to relevant frontier issues.

Triennial reviews of the 2015 evaluations of the United Nations Entity for Gender Equality and the Empowerment of Women, the Office of the High Commissioner for Refugees, the United Nations Conference on Trade and Development, the International Trade Centre, the United Nations Human Settlements Programme, the Economic and Social Commission for Asia and the Pacific and the Economic Commission for Latin America and the Caribbean

56. OIOS conducted seven triennial reviews of the implementation of recommendations from its 2015 evaluations of: (a) UNHCR; (b) the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women); (c) UN-Habitat; (d) UNCTAD; (e) the International Trade Centre (ITC); (f) ESCAP; and (g) ECLAC. The reviews indicated that significant steps had been taken to implement all recommendations. Table 1 shows the status of recommendations as at 31 December 2017.

Table 1
Recommendations status

Entity	Number of recommendations	Implemented	Partially implemented
ECLAC	6	3	3
ESCAP	4	3	1
ITC	5	4	1
UNCTAD	7	5	2
UN-Habitat	7	6	1
UNHCR	6	4	2
UN-Women	4	4	0
Total	**39**	**29**	**10**
Percentage	**100**	**74.4**	**25.6**

57. For recommendations implemented, evidence of concrete positive outcomes existed. However, the full impact could not be assessed in most cases, as some recommendations were only recently implemented or were not yet fully operationalized.

C. Investigations Division

58. From 1 July 2017 to 30 June 2018, 341 matters pertaining to non-peacekeeping operations were reported to the Investigations Division, representing an increase of 46 per cent over the previous year and comprising 43 per cent of all reported matters. That spike in reporting was significant, given the average 15 per cent annual increase seen in the previous three reporting cycles. Following an evaluation through the intake process, 80 matters were assigned for OIOS investigation, 165 matters were referred or were in the process of being referred to other entities, 74 were closed without further action, 3 cases remained in suspense and 19 were pending review (see table 2).

59. The Division has seen a marked increase in sexual harassment reporting, following the Secretary-General's reiteration of his commitment to zero tolerance of sexual harassment, and in response to the "Me too" movement. As requested by the Secretary-General, the Division has taken responsibility for investigating complaints of sexual harassment and is implementing a streamlined procedure for receiving,

processing and addressing such complaints. This includes the creation of a specialized team to focus on the investigation of sexual harassment complaints. In the current reporting period, OIOS received 31 reports of sexual harassment, up from 2 in the previous year.

60. The number of non-peacekeeping matters referred to other entities increased by 43 per cent from the previous year and by 74 per cent compared with two years prior.

Table 2
Predicated investigations and referrals on non-peacekeeping activities by category

	Investigations		Referrals	
Category	Number	Percentage	Number	Percentage
Criminal activity	7	9	10	6
Financial	6	8	20	12
Fraud/presumptive fraud	15	19	15	9
Misuse of office/position	6	8	10	6
Personnel	12	15	32	19
Procurement	6	8	3	2
Prohibited conduct	18	23	40	24
Recruitment	2	3	18	11
Retaliation	4	5	6	4
Sexual exploitation and abuse	4	5	11	7
Total	**80**	**100**	**165**	**100**

61. In total, 57 non-peacekeeping investigation and closure reports were issued during the reporting period, representing a 54 per cent increase over the previous year (see table 3). In 31 of those reports, the allegations were substantiated, while in 26 they were not. The average time taken to complete an investigation and issue the report was 12 months.

Table 3
Non-peacekeeping investigation and closure reports issued during the reporting period

Category	Number of reports
Criminal activity	5
Financial	4
Fraud/presumptive fraud	8
Misuse of office/position	11
Personnel	10
Procurement	3
Prohibited conduct	3
Recruitment	2
Retaliation	8
Sexual exploitation and abuse	3
Total	**57**

62. The Division investigated several reports of retaliation, including case No. 0564/16, wherein the OIOS investigation found that an OHCHR staff member, having engaged in a protected activity, was subsequently retaliated against through the inclusion of inappropriate commentary in his performance appraisal. The findings were referred to the Ethics Office, which determined that retaliation was established, and to the Office of Human Resources Management, which is taking appropriate action.

63. The Division also investigated multiple fraud and corruption cases. In case No. 0143/16, the OIOS investigation established that a UNODC staff member, in collusion with non-United Nations staff, established bid-rigging schemes to favour the award of contracts to particular vendors. It was further established that, on at least seven occasions from 2015 to 2017, the staff member favoured or attempted to favour the award of contracts to specific individuals. The findings were issued to UNODC, along with an advisory report that identified control weaknesses. The findings were also referred to the Office of Legal Affairs for consideration of referral to national authorities.

64. During the previous reporting period, OIOS reported on several significant cases of corruption by high-level officials linked to the former President of the General Assembly. In the current reporting period, OIOS issued further investigation reports establishing possible misconduct (cases Nos. 0167/16 and 0191/16).

65. In case No. 0167/16, OIOS received a report that a staff member of the Department of Economic and Social Affairs received a free tablet while at an official event. The OIOS investigation found that the staff member had accepted the tablet, had made no attempt to return it and had not sought guidance from the Ethics Office or disclosed the receipt of the tablet to the Executive Office. It further found that the staff member had been erroneously reimbursed twice the eligible amount for travel to the event. The findings were issued to the Department.

66. In case No. 0191/16, OIOS received a report that a UN-Habitat staff member had travelled to Hong Kong, China, without the necessary approval, at the expense of a company that had been implicated in possible bribery. It was further reported that the staff member had received daily subsistence allowance for the duration of the trips and accepted gifts without declaring them or obtaining approval. The OIOS investigation found that the staff member had made the trips as reported, certified incomplete and inaccurate travel request forms and failed to disclose or seek approval for gifts received, including a complimentary business class flight and a custom-made suit. The findings were issued to UN-Habitat and subsequently to the Office of Human Resources Management. The staff member has since been separated from the Organization.

67. In case No. 0433/17, OIOS received a report that a staff member in UNEP was the Managing Director of a UNICEF and World Food Programme vendor. The OIOS investigation found that the staff member had operated in a position of conflict of interest and engaged in unauthorized outside activity in relation to his role as director and designer of the company. The findings were issued to UNEP.

68. In case No. 0217/17, OIOS received a report of possible misconduct by a UNEP staff member. It was reported that the staff member had undertaken various official missions, which, although justified as business related, may have constituted private deviations. OIOS investigation found that an official mission had been extended and travel itineraries deviated at a financial loss to the Organization, to accommodate private visits and attend unofficial events. A report with recommendations for appropriate action against the implicated person, and for recovery of the financial loss suffered by the Organization, is pending review by the Department of Management.

69. In case No. 0419/17, OIOS received a report that an OHCHR staff member had attempted to fraudulently circumvent recruitment processes. The OIOS investigation found that the implicated staff member had helped an applicant for a role at OHCHR to populate that applicant's personal history profile with false information, and then, in collusion with another person, completed the written test for the applicant. Thereafter, a non-United Nations staff fraudulently posed as the applicant in the job interview. The applicant has been separated from the organization, after serving a temporary contract with UNCTAD. The findings were issued to UNCTAD and OHCHR.

70. In case No. 0422/17, OIOS found that an OHCHR staff member, in collusion with others, used the persona of a third party to fraudulently secure the award of a consultancy contract relating to a major information technology project. The OIOS investigation further found that the implicated staff member might have taken action to destroy possible evidence on the staff member's United Nations-issued computer. The findings were issued to OHCHR and subsequently to the Office of Human Resources Management, which is currently reviewing the case for consideration of appropriate action.

VI. Mandated reporting requirements

A. Construction activities

Audit of the seismic mitigation retrofit and life-cycle replacement project in ESCAP

71. ESCAP made significant progress in the implementation of the project, including signing an administration and coordination agreement with the Office of Central Support Services, recruiting the project manager and hiring the lead consultant firm. ESCAP would benefit from strengthening its project management by ensuring that the Stakeholders Committee meets regularly, completing the project management plan and implementing a project information management system. It also needed to strengthen controls over the activities of the lead consultant firm, finalize plans to implement the new on-site swing space strategy, establish mechanisms for the approval of change orders and ensure that high-value construction-related procurement activities are executed in a timely manner. In addition, it needed to report to the General Assembly the reprogramming of the budget of $5.4 million for on-site swing space, following its change in strategy regarding swing space.

Audits of the renovation of Africa Hall and visitors centre construction projects in ECA

72. ECA had largely set up its project governance and oversight mechanisms and was in the process of formulating a strategy for soliciting voluntary contributions and incorporating an approach for addressing fraud and corruption risks in the risk management framework. However, ECA needed to streamline the raising and accounting of voluntary contributions and mitigate the impact of delays in commencing early construction works.

Audit of the management of capital renovation projects in ECLAC

73. ECLAC adequately completed pre-planning activities for the North Building project and developed a strategy for identifying and securing suitable swing space. It was implementing action plans to monitor and report on the implementation of the acquisition plan for construction activities and improve on the time taken to complete procurement activities.

Post-construction audit and audit of the occupancy of the new office facility of the International Residual Mechanism for Criminal Tribunals in Arusha

74.   The Mechanism occupied its new facilities on 5 December 2016, except for the archives, which remained in rented premises. However, some aspects of the facility required attention to make it fully usable, including: ensuring that the architect and the contractor completed the remedial work for all identified defects; improving firefighting equipment and capacity; investigating the impact of sandstorms on the building and ensuring that staff occupational health matters arising from sandstorms were fully addressed; and ensuring that the data centre equipment was protected from possible damage from water and humidity. Remedial work for the courtroom and the data centre were completed in February and June 2018, respectively.

B.   United Nations Compensation Commission

75.   The United Nations Compensation Commission was created in 1991 as a subsidiary organ of the Security Council to process claims and pay compensation for losses and damages suffered as a direct result of the invasion and occupation of Kuwait by Iraq. Successful claimants are paid out of the Compensation Fund, which, prior to October 2014, received 5 per cent of Iraqi oil export revenues.

76.   From October 2014 to December 2017, the Governing Council of the Commission, in its decisions 272 of 2014, 273 of 2015 and 274 of 2016, suspended the obligation of Iraq to deposit proceeds from its oil export revenues into the Compensation Fund. The deposits resumed following the adoption by the Governing Council of its decision 276 of 2017, which provides for 0.5 per cent of proceeds generated by Iraqi oil export revenues to be deposited into the Compensation Fund in 2018, with yearly escalating percentages until the end of 2021, or until the outstanding compensation award has been paid in full. Under decision 276, payments also resumed and $90 million was paid towards the outstanding claim award in April 2018. To date, of the approximately $52.4 billion in compensation awarded, $47.9 billion has been paid, leaving an outstanding balance of approximately $4.5 billion owing to one remaining claim. With the resumption of quarterly payments towards the outstanding claim, OIOS plans to conduct an audit of the Commission's operations in the first quarter of 2019.

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