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United Nations Population Fund

**Report of the Office of Audit and Investigation Services
on UNFPA internal audit and investigation activities in 2024**

Summary

In response to Executive Board decisions 2015/2, 2015/13, 2022/15, 2022/22 and earlier pertinent Board decisions, the Director of the Office of Audit and Investigation Services (OAIS) of UNFPA presents herewith the report on internal audit, investigation and advisory services for the year ending 31 December 2024.

The report includes information on: (a) the OAIS mandate; (b) internal audit opinion on the governance, risk management and internal controls of UNFPA; (c) the statement on the independence of OAIS and conformance to professional standards; (d) OAIS resources in 2024; (e) results of the implementation of the risk-based audit plan for 2024; (f) report ratings, significant audit issues, and recommendations; (g) internal audit activities and results; (h) investigations, including information on the nature of cases received, investigated, and actions taken; (i) advisory services rendered in 2024; (j) other activities undertaken in 2024; and (k) a suggested way forward for the coming year and beyond.

Annexes to this report are available separately on the UNFPA website.

As required by the Executive Board in decision 2022/22 and as appropriate, potential red flags, emerging risks, internal control issues, audit findings and the status of investigations, which emerged from the work of OAIS in 2024 and which require specific attention from the Executive Board, are as follows:

OAIS issued 28 audit reports in 2024, five of which were rated ‘satisfactory’, 15 rated ‘partially satisfactory, with some improvement needed’, five rated ‘partially satisfactory, with major improvement needed’, and three ‘unsatisfactory.’

The most recurrent issues identified in the 2024 audit reports primarily revolve around governance, programme management, and operations management. Governance challenges include misaligned organizational structures and staffing arrangements, inadequate results planning and reporting, insufficient risk management processes, and a lack of adequate training for office personnel. These issues largely stem from inadequate supervision at various levels, including headquarters, and regional and country offices.

Another critical governance issue is the inadequate risk management processes in many country offices, which result in weak identification, tracking and mitigation of potential risks. Poor supervision and a lack of structured risk management frameworks further exacerbate the situation.

The ineffective management and oversight of implementing partners is a major challenge identified in the 2024 audit reports, affecting operations in 19 country offices. Key issues include inadequate supervision, weak compliance with corporate policies and poor financial and programmatic monitoring. A significant concern is the non-competitive selection of NGO partners, increasing risks related to accountability and effectiveness. Additionally, many offices missed to conduct timely harmonized approach to cash transfers (HACT) assurance activities, leading to financial mismanagement and inefficiencies in workplan execution. Weak controls over cash transfers further contribute to financial risks. To address these issues, the OASIS recommends strengthening implementing partner management processes through better oversight, risk assessments and policy compliance.

Another critical issue is the inconsistent implementation of protection from sexual exploitation and abuse (PSEA) measures. Ensuring compliance with these measures is crucial to safeguarding beneficiaries and maintaining ethical standards in partnerships. However, some offices do not fully enforce PSEA policies or provide adequate training to implementing partners on compliance requirements. Additionally, a lack of proper registration of partners in the United Nations Partner Portal complicates tracking and monitoring partnerships, reducing overall operational efficiency.

The 2024 audit reports identify several key operational management issues, impacting multiple country offices and business units. One major concern is noncompliance with procurement procedures, which was noted in 15 countries. Offices frequently fail to develop comprehensive procurement plans, properly document goods receipt and inspection, or establish long-term agreements for commonly purchased items. This issue is primarily due to inadequate supervision and insufficient staff training, leading to inefficiencies and financial risks. Another significant challenge is inadequate financial controls, including excessive use of cash payments and weak risk management in financial transactions, reported in 8 country offices.

Another issue noted is the insufficient management of financial resources. For example, one audited country office did not maintain an effective resource management process. In addition to a financial deficit of \$4.0 million in clearance and supply chain management costs in 2024, projected to increase to \$7.9 million in 2025, and project over-expenditures in the aggregate amount of \$1.1 million as of November 2024, the Office had a shortfall of \$0.5 million in regular resources as of 30 November 2024. The financial impact of the retroactive action was estimated at \$3.3 million. In another case, related to Yemen, the Central Bank of Yemen (Aden) revoked the licenses of six commercial banks operating in the country, including the bank where UNFPA cash was deposited along with other United Nations agencies. The unanticipated bank closures created liquidity shortages that negatively impacted UNFPA operations in the country.

In response to the audit findings, UNFPA management has implemented a series of corrective actions, including strengthening governance, risk management and operational efficiency. Enterprise risk management (ERM) was enhanced with a new policy, with over 80 percent of country offices and all headquarters units completing risk assessments. The Headquarters Risk Committee (HRC) was fully operationalized, and ERM was integrated with reputational risk management initiatives. For country offices with 'unsatisfactory' audit ratings, tailored action plans led to the resolution of key issues, with one office closing 9 of 14 recommendations and another office addressing most concerns, except for ongoing monitoring of implementing partner cash management.

On investigations, OASIS carried over 314 open cases from previous years, with the majority involving fraud, sexual misconduct and prohibited conduct. Additionally, 366 new matters were registered, of which 134 were opened as new cases. The new cases primarily involved internal subjects, such as UNFPA staff and service contractors, as well as external entities like implementing partners and suppliers. The geographic regions of the intake of new cases included headquarters (15 cases, 11 per cent), Arab States (20 cases, 15 per cent), Asia and the Pacific (23 cases, 17 per cent), East and Southern Africa (29 cases, 22 per cent), Eastern Europe and Central Asia (7 cases, 5 per cent), Latin America and the Caribbean (9 cases, 7 per cent), and West and Central Africa (31 cases, 23 per cent).

As of 31 December 2024, OASIS closed 165 cases. Of these, 78 per cent were closed through case closure notes, and 22 per cent via investigation reports. The primary allegations in substantiated cases included fraud and financial irregularities (15 cases, 62 per cent), sexual misconduct (3 cases, 13 per cent), prohibited conduct (3

cases, 13 per cent), other wrongdoing (2 cases, 8 per cent), and retaliation (one case, 4 per cent). The financial impact of substantiated fraud cases was \$2,613,691.

OAIS enhanced its intake process to manage a rising volume of misconduct reports and increased its staffing levels, allowing for a more rigorous screening process to ensure complaints fell within its mandate before opening cases. Additionally, OAIS focused on grouping non-cases of a similar nature to streamline the intake process. These efforts resulted in a 3 per cent decrease in non-cases compared to 2023. OAIS also prioritized high-priority cases to prevent future backlogs, leading to more efficient case handling.

Elements of a decision

The Executive Board may wish to:

Take note of: (a) the present report (DP/FPA/2024/6), which is harmonized with those of other funds and programmes, in line with Executive Board decision 2020/10; (b) the OAIS opinion on the adequacy and effectiveness of the UNFPA governance, risk management and control processes, as set out in this report; (c) the annual report of the Oversight Advisory Committee (DP/FPA/2024/6/Add.1); and (d) the management response thereto and to the present report (DP/FPA/2024/CRP.2); and

Express its continuing support for the strengthening of OAIS functions in discharging its mandate and for the way forward presented in this report to improve the performance and effectiveness of OAIS and make it better fit for purpose.

Contents

| | |
|---|----|
| I. Introduction | 5 |
| II. Mandate | 5 |
| III. Opinion | 5 |
| A. Responsibilities of UNFPA management and OAIS | 5 |
| B. Basis for internal audit opinion | 5 |
| C. Exclusions from the internal audit opinion | 6 |
| D. Overall internal audit opinion | 6 |
| IV. Statement of OAIS independence and conformance to internal audit standards and investigation principles | 6 |
| V. OAIS staffing and budget | 7 |
| VI. Implementation of the 2024 risk-based audit plan | 8 |
| VII. Internal audit activities and results | 10 |
| A. Good practices | 10 |
| B. Report ratings, audit issues, and recommendations | 10 |
| C. Implementation of internal audit recommendations | 17 |
| D. Issuance and publication of internal audit reports | 18 |
| VIII. Investigation activities and results | 18 |
| IX. Advisory services rendered in 2024 | 31 |
| X. Oversight, monitoring and coordination of audit and investigation activities | 32 |
| XI. Other activities undertaken in 2024 | 33 |
| XII. Overview of the 2025 OAIS annual workplans | 34 |
| A. Internal audit workplan | 34 |
| B. Investigation workplan | 34 |
| XIII. Way forward | 35 |

Annexes

1. The OAIS charter
2. Basis of the 2024 OAIS opinion on the UNFPA governance, risk management and internal control processes
3. Summary of common and high-risk issues noted in the 2024 audit reports
4. Summary of investigation and closure reports issued in 2024, by type of allegation, as of 31 December 2024
5. Detailed overview of cases registered in 2024, and cases carried over to 2025
6. Audit reports issued in 2024
7. OAIS key performance indicators
8. Recommendations unresolved for 18 months or more, as of 31 December 2024.

Appendices

1. Annual report of the Oversight Advisory Committee for 2024
2. Management responses to the OAIS annual report and the annual report of the Oversight Advisory Committee

(Annexes and appendices are available on the [UNFPA website](#))

I. Introduction

1. This report provides the Executive Board with a summary of internal audit, investigation and advisory services delivered by the UNFPA Office of Audit and Investigation Services (OAIS) in 2024. It also provides a confirmation of OAIS organizational independence and an overall opinion on the adequacy and effectiveness of the governance, risk management and control processes of the organization. The report further provides: (a) highlights of other OAIS activities in 2024; (b) an overview of the 2025 OAIS annual workplans; and (c) a brief overview of planned activities and initiatives for 2025 and beyond.

II. Mandate

2. The OAIS mandate is based on article XVII of the UNFPA financial regulations and rules, the UNFPA oversight policy,¹ and the UNFPA accountability framework.² These set out that OAIS solely performs and manages or authorizes others to carry out the following oversight functions: (a) independent internal audit services (adequacy and effectiveness of governance, risk management and internal control processes, and economic and efficient use of resources); and (b) investigation services (allegations of wrongdoing). OAIS may also provide advisory services to UNFPA management, to the extent that its independence and objectivity are not compromised.

3. The UNFPA Executive Director approved a revised OAIS charter on 1 August 2023. Following a recent adoption of new Global Internal Audit Standards (effective 9 January 2025) issued by the Institute of Internal Auditors (The IIA), OAIS will undertake a review of the existing charter, with a view to updating it for changes brought about by the new standards. The current charter is included in annex 1.

III. Opinion

A. Responsibilities of UNFPA management and OAIS

4. UNFPA management is responsible for adequately designing, implementing and maintaining effective governance, risk management and control processes to ensure that organizational objectives are achieved. OAIS is responsible for independently assessing the adequacy and effectiveness of these processes, based on the scope of work it undertakes, as well as – where appropriately tested for operating effectiveness – reliance on second line controls instituted by UNFPA management and by third parties to whom UNFPA outsources some of its business processes.

B. Basis for internal audit opinion

5. The opinion is based on the following (details are provided in annex 2):

- (a) Results of OAIS audits concluded between 1 January and 31 December 2024, and cumulative audit knowledge and experience stemming from OAIS audits completed in previous years, as considered relevant;
- (b) Status of implementation of internal audit recommendations;
- (c) Second line controls based on reports obtained from management;
- (d) Consideration of material deficiencies in the overall UNFPA framework of governance, risk management, and controls that might, individually or collectively, diminish the achievement of the organization's objectives, as noted in the following:
 - (i) Audits of implementing partners under the harmonized approach to cash transfers (HACT) framework;
 - (ii) Findings and recommendations reported by the United Nations Board of Auditors in its observation memoranda for the audit of the UNFPA financial statements for the year ended 31 December 2024;

¹ <https://www.unfpa.org/admin-resource/unfpa-oversight-policy>.

² See document DP/FPA/2007/20.

- (iii) Substantiated investigation cases in 2024 involving allegations impacting UNFPA financial resources, personnel and beneficiary well-being, as well as overall reputational risks; and
- (iv) Results of strategic and fraud-risk assessments completed as part of the enterprise risk management (ERM) process implemented by management, to the extent available, when preparing this opinion.

C. Exclusions from the internal audit opinion

6. In 2024, as in previous years, UNFPA outsourced significant functions to other United Nations system organizations, including: (a) selected human resources management activities; (b) payroll preparation and payment for staff and service contract holders; (c) payment processing; (d) treasury management; (e) hosting and management of the enterprise resource planning (ERP) system; and (f) other information technology services. UNFPA management relied on the management and fiduciary oversight activities undertaken by the United Nations organizations to which these functions were outsourced, as regards the adequacy and effectiveness of the related governance, risk management, and internal control processes. These outsourced functions are subject to the provisions on internal audit provided for in the respective United Nations organizations' policies and procedures and are not covered by the OAIS audit opinion. OAIS received confirmation from the UNDP Office of Audit and Investigations that most of these outsourced functions were covered by its audits in recent years ranging from 2017 to 2024. UNDP is the main provider of outsourced services to UNFPA.

7. UNFPA also outsourced numerous information and communications technology functions, including the hosting of significant systems (e.g., email, cloud storage, website hosting), to third-party service providers. These are subject to the provisions on internal audit provided for in the respective third parties' policies and procedures and are also not covered by the OAIS opinion.

D. Overall internal audit opinion

8. Based on the scope of work undertaken, the overall opinion of OAIS is that the adequacy and effectiveness of the UNFPA governance, risk management and control processes were 'partially satisfactory, with some improvement needed,' which means that the assessed processes were adequately designed and operating effectively but needed some improvement to provide reasonable assurance that the objectives of the audited entity/area should be achieved. The issues and improvement opportunities identified did not significantly affect the achievement of the audited entity/area objectives. Management action is recommended to ensure that identified risks are adequately mitigated.³

IV. Statement of OAIS independence and conformance to internal audit standards and investigation principles

9. The OAIS Director hereby confirms to the Executive Board that OAIS maintained its organizational independence in 2024. Within the resources made available by management and authority delegated to its Director, OAIS was free from interference in determining its audit scope and in performing and communicating the results of its work.

10. In 2024, OAIS conducted its internal audit work in conformity with the then prevailing International Standards for the Professional Practice of Internal Auditing (the Standards) and the code of ethics of the Institute of Internal Auditors, which were adopted for use by the Representatives of the Internal Audit Services of the United Nations system organizations (UN-RIAS) in June 2002. As from January 2025, OAIS conducts its internal audits in conformity with the new Global Internal Audit Standards.

11. OAIS conducts investigations in compliance with the staff rules and regulations of the United Nations, the OAIS charter, the UNFPA disciplinary framework, the UNFPA oversight policy and the uniform principles and guidelines for investigations, as endorsed by the 10th Conference of International Investigators, held in June 2009.

³ The rating for 2024 is the same as that in the previous year. The UNFPA audit rating definitions are harmonized with those of UNOPS, UNICEF and UN-Women. UNDP has adopted different rating definitions.

It is also guided by jurisprudence of the United Nations dispute and appeals tribunals and best practices for investigation, as adopted by counterpart investigative bodies.

12. The OAIS charter and both the old Standards⁴ and new Global Internal Audit Standards mandate the Director of OAIS to maintain a quality assurance and improvement programme that involves ongoing and periodic assessments of the entire spectrum of internal audit and consulting work performed by the internal audit function. A dedicated Quality Assurance, Policy and Reporting Unit in the Office of the OAIS Director monitors compliance with relevant requirements and manages the programme to ensure that OAIS provides high-quality services and formulates its audit programmes and procedures, including the preparation of its reports, in conformance with standards promulgated by the IIA.

13. Maintenance and faster delivery of high-quality investigative outputs within the Investigation Branch is achieved through UNFPA investigation staff and recruitment of quality assurance-focused consultants, who are tasked with reviewing the evidentiary bases of investigative findings, the soundness of investigative methodology, the thoroughness of inquiries, adherence to due process obligations and conformity with internationally accepted investigative practices and standards.

V. OAIS staffing and budget

14. OAIS had 30 approved posts, as of 31 December 2024: four in the Office of the OAIS Director (the OAIS Directorate); 13 in the Internal Audit Branch; and 13 in the Investigation Branch. Of the 30 posts, four were vacant.⁵ The four vacancies comprised three in the Investigation Branch and one in the OAIS Directorate.

15. The OAIS staff complement was augmented by consultants hired at various points during the year as follows: two in the Directorate; 19 in the Internal Audit Branch; and 21 in the Investigation Branch. Additionally, OAIS made use of professional services firms in conducting its internal audit and investigations work in 2024.

16. An overall 2024 vacancy rate of 13 per cent in OAIS represented a notable decrease from 23 per cent in 2023 (see table 1 below). Significantly, recruitment processes for four previously vacant professional posts in the Internal Audit Branch were completed in 2024. Other vacancies were brought forward from 2023 and one support post in the OAIS Directorate that became vacant in 2024 remained vacant as of 31 December 2024. Securing and retaining the best candidates for posts under recruitment remains a challenge in an intensely competitive market for talent.

Table 1. Staffing and budget at year-end 2023 and 2024, by OAIS unit

| | Internal audit | | Investigation | | Directorate | | Total | |
|--|----------------|------------|---------------|------------|-------------|------------|--------------|--------------|
| | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024* |
| D2 and professional posts – approved | 12 | 12 | 12 | 12 | 3 | 3 | 27 | 27 |
| Professional posts – filled | 8 | 12 | 9 | 9 | 3 | 3 | 20 | 24 |
| Support posts – approved | 1 | 1 | 1 | 1 | 1 | 1 | 3 | 3 |
| Support posts – filled | 1 | 1 | 1 | 1 | 1 | 0 | 3 | 2 |
| Vacant posts | 4 | 0 | 3 | 3 | 0 | 1 | 7 | 4 |
| Budget allocation (<i>thousands of \$</i>) | 4 995 | 5 738 | 4 797 | 5 051 | 2 222 | 1 825 | 12 014 | 12 614 |
| Budget utilization (<i>thousands of \$</i>) | 4 159 | 5 176 | 3 713 | 4 473 | 1 469 | 1 381 | 9 341 | 11 030 |
| Budget remaining (<i>thousands of \$</i>) | 836 | 562 | 1 084 | 578 | 753 | 444 | 2 673 | 1 584 |

(*) Note: 2024 figures may not be final, subject to finalization of the accounts closure.

17. The OAIS budget for 2024 to support its activities was \$12.6 million (\$12.0 million in 2023) – both figures inclusive of a \$2.7 million investment by UNFPA in OAIS, carried forward from unspent budget balances in 2022.

18. The unspent budget balances were used, in the interim, to create 11 temporary posts, all of which remained vacant on 31 December 2024, with recruitment processes in progress.

⁴ International Standards for the Professional Practice of Internal Auditing 1300 series 'Quality Assurance and Improvement Programme'.

⁵ As of 12 March 2025, three P2 positions and one G7 position were vacant.

19. As part of an organizational corporate exercise to plan in the event of large and sustained resource decline, OAIS actively participated in the adverse revenue scenario review to suggest measures aiming at suggesting savings of up to \$4,608,252 for 2025-2029. OAIS identified some positions for abolishment and reduction in the travel and use of consultancies. Management did not agree to most of the budget cuts proposed by OAIS due to the importance of its mandate and only accepted some of the suggestions considered to be of low risk.

VI. Implementation of the 2024 risk-based audit plan

20. OAIS conducts its assurance activities in accordance with an audit plan that is based on a documented risk assessment of the UNFPA audit universe. The audit plan is reviewed by the Oversight Advisory Committee (OAC), which recommends it for approval by the Executive Director. Risk is measured through a set of indicators representing the potential impact and likelihood of events that might adversely affect the achievement of objectives of the business units, processes and systems assessed.

21. The 2024 audit plan comprised 32 engagements, including two carried forward from 2023 or prior years, and 30 new engagements.

22. Of the two engagements carried forward from 2023 and prior years, one, a joint audit with UNDP and UN-Women, was completed and the resultant audit report issued in 2024. The other engagement, a business process audit, was at the report drafting stage as of 31 December 2024.

23. As of 31 December 2024, the status of the 30 new engagements planned for 2024 was as follows: (a) 23 engagements were completed, with the resultant reports issued within the year; (b) six engagements were completed, with the resultant reports issued in the first quarter of 2025; and (c) a process audit engagement was rescheduled from 2024 to 2025 to accommodate a scheduled visit of the United Nations Board of Auditors to the auditee business unit in 2024.

24. OAIS issued 28 audit reports and one advisory report in 2024. At a total of 29, the number of reports issued increased by 5 from the 24 reports issued in 2023, thanks to a continuing streamlining of OAIS audit processes and comprehensive updating of the audit manual and standard operating procedures. The 29 reports mark an all-time high for audit reports issued by OAIS in any given year. For perspective, OAIS issued 10 reports in 2021 and 9 reports in 2022.

25. The outcome of the 2024 risk-based audit plan and the status of its implementation are presented in table 2.

Table 2. Status of implementation of the 2024 audit plan

| Type of engagement | # | Engagement | Status (as of 17 March 2025) |
|--|----------|---|--|
| ENGAGEMENTS STARTED IN 2022 AND TO BE COMPLETED IN 2024 | | | |
| <i>Business process</i> | 1 | Fraud risk management process | Draft report under quality assurance review. |
| SUBTOTAL | 1 | | |
| ENGAGEMENTS STARTED IN 2023 AND TO BE COMPLETED IN 2024 | | | |
| <i>Business process</i> | 1 | ERP “Quantum” (joint audit with UNDP and UN-Women) | Report #26 issued in December 2024. |
| SUBTOTAL | 1 | | |
| ENGAGEMENTS STARTED AND COMPLETED IN 2024 | | | |
| <i>Corporate and Business process</i> | 6 | UNFPA business continuity management | Report #23 issued in December 2024. |
| | | Information security management practices and processes | Report #27 issued in December 2024. |
| | | UNFPA identity and access management | Report #29 issued in December 2024. |

| | | | |
|----------------------------|-----------|--|---|
| | | Gender equality and women's empowerment in UNFPA | Report #2 issued in January 2025. |
| | | UNFPA emergency response activities | Report #6 issued in March 2024. |
| | | Supply chain management and procurement strategy | Rescheduled from 2024 to 2025 to accommodate a UN Board of Auditors' Supply Chain Management Unit (SCMU) audit. |
| Regional Office | 1 | East and Southern Africa Regional Office | Report #5 issued in March 2025. |
| Sub-Regional Office | 1 | Subregional Office for the Caribbean | Report #22 issued in December 2024. |
| Country office | 22 | Equatorial Guinea | Report #4 issued in March 2024. |
| | | Central African Republic | Report #6 issued in April 2024. |
| | | Afghanistan | Report #8 issued in July 2024. |
| | | Gabon | Report #9 issued in July 2024. |
| | | Togo | Report #10 issued in July 2024. |
| | | Honduras | Report #11 issued in July 2024. |
| | | Azerbaijan | Report #12 issued in July 2024. |
| | | Thailand | Report #13 issued in August 2024. |
| | | Argentina | Report #14 issued in August 2024. |
| | | Union of the Comoros | Report #15 issued in August 2024. |
| | | Kingdom of Morocco | Report #16 issued in September 2024. |
| | | Cuba | Report #17 issued in October 2024. |
| | | Albania | Report #18 issued in October 2024. |
| | | Tajikistan | Report #19 issued in October 2024. |
| | | Dominican Republic | Report #20 issued in October 2024. |
| | | Philippines | Report #21 issued in November 2024. |
| | | Democratic Republic of Congo | Report #24 issued in December 2024. |
| | | Angola | Report #25 issued in December 2024. |
| | | Yemen | Report #28 issued in December 2024. |
| | | Uruguay | Report #1 issued in January 2025. |
| | | Myanmar | Report #3 issued in February 2025. |
| | | Eswatini | Report #4 issued in February 2025. |
| SUBTOTAL | 30 | | |
| GRAND TOTAL | 32 | | |

VII. Internal audit activities and results

A. Good practices

26. Based on the 28 audit reports issued in 2024, OAIS identified and shared with management 41 good practices and/or positive developments at the strategic, operational and compliance levels, which could be adopted by other business units in the organization.
27. Good practices common among country offices included the following:
- (a) Fourteen country offices fostered and sustained positive relationships with other United Nations organizations and offices of the United Nations Resident Coordinator by actively participating in inter-agency coordination clusters and working groups, with some of the country offices taking on lead roles in specific thematic areas;
 - (b) Eight country offices made concerted efforts at resource mobilization, maintaining close engagement with existing and potential donors, raising significant resources in the process. In several cases, such efforts resulted in significant programme country contributions and increased visibility and strategic positioning of UNFPA as a trusted partner;
 - (c) Two country offices developed innovative monitoring and evaluation tools such as dashboards to visualize humanitarian intervention data, and implemented strong annual planning processes linking output indicators to country programme documents and workplans;
28. Good practices and/or positive developments identified from audits of corporate business processes included the following:
- (a) Five good practices related to information security management were identified, including leveraging specialized external agencies for security monitoring, employing agile methodology in implementing security programmes, creating robust processes for managing privileged access, establishing standard identity profiles for users and developing consistent reporting strategies;
 - (b) UNFPA established a crisis response mechanism, activated through a crisis response team at headquarters that comprised key management staff, to manage corporate responses to critical incidents affecting field offices; and
 - (c) UNFPA issued a new identity and access management policy demonstrating its commitment to good governance practices. The policy aligned with industry best practices covering, inter alia, the areas of provisioning, deprovisioning and exception handling, with separate processes for the authorization of corporate (regular) and privileged accounts.

B. Report ratings, audit issues, and recommendations

29. For individual assurance⁶ engagements, OAIS assigns an overall audit rating based on its assessment of the relevant governance, risk management and control processes at the business unit or process level. In 2017, consistent with an UN-RIAS working group proposal in 2016 on the harmonization of engagement-level audit ratings, OAIS adopted a four-scale audit rating system.⁷
30. Ratings for audits concluded in 2024 are summarized in table 3 below. OAIS issued 28 audit reports, five of which were rated ‘satisfactory’, 15 rated ‘partially satisfactory, with some improvement needed’, five rated ‘partially satisfactory, with major improvement needed’, and three ‘unsatisfactory’.

⁶ Assurance services involve an objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization.

⁷ See audit ratings and definitions at <https://www.unfpa.org/admin-resource/standard-definition-audit-terms>.

Table 3. Distribution of audit conclusions by region and thematic area for 2024

| Audited area | Number of audits | Satisfactory | Partially satisfactory, with some improvement needed | Partially satisfactory, with major improvement needed | Unsatisfactory |
|---|-------------------------|---------------------|---|--|-----------------------|
| Country office audits: | | | | | |
| Asia and the Pacific | 4 | 1 | 2 | | 1 |
| Arab States | 2 | | 1 | 1 | |
| Eastern Europe and Central Asia | 3 | 1 | 2 | | |
| Eastern and Southern Africa | 4 | | 1 | 2 | 1 |
| Latin America and the Caribbean | 5 | 3 | 2 | | |
| West and Central Africa | 4 | | 1 | 2 | 1 |
| <i>Subtotal – country office audits</i> | <i>22</i> | <i>5</i> | <i>9</i> | <i>5</i> | <i>3</i> |
| Subregional office audits: | | | | | |
| <i>Subregional Office Latin America and the Caribbean</i> | <i>1</i> | | <i>1</i> | | |
| <i>Subtotal – subregional office audits</i> | <i>1</i> | <i>-</i> | <i>1</i> | <i>-</i> | <i>-</i> |
| Process audits: | | | | | |
| Audit of the UNFPA headquarters recruitment process | 1 | | 1 | | |
| Audit of the UNFPA business continuity management | 1 | | 1 | | |
| Audit of the UNFPA enterprise resource planning system (Quantum) | 1 | | 1 | | |
| Audit of UNFPA information security management practices and processes | 1 | | 1 | | |
| Audit of the UNFPA identity and access management practices and processes | 1 | | 1 | | |
| <i>Subtotal – process audits</i> | <i>5</i> | <i>-</i> | <i>5</i> | <i>-</i> | <i>-</i> |
| Total | 28 | 5 | 15 | 5 | 3 |

a. Business unit audits

31. OAS concluded 22 audits of country offices and one subregional office in 2024. The results of the audits identified some common themes in audit issues and recommendations across the audited offices, as outlined below, by thematic area.

Governance

32. Train personnel in results planning, monitoring and reporting, and strengthen quality assurance processes to formulate high-quality results plans and improve monitoring and reporting;

33. Align staff members' individual performance goals with office results plans, to enhance accountability for results;

34. Country offices should undertake risk assessments and improve risk management practices by actively tracking and managing the risks identified and implementing the corresponding risk response measures using the corporate ERM tool;

35. Country offices should conduct timely review of their organizational structures and staffing arrangements to align them to programme delivery and operational requirements in new programme cycles and expedite recruitment processes for vacant positions; and

36. Country offices need to develop, implement and report on action plans to identify, assess and mitigate critical or high risks using the corporate enterprise risk management tool.

Programme management

37. Strengthen programme planning, monitoring and reporting processes by training relevant staff on policy requirements and corporate guidance, creating annual results plans with clear output indicators, milestones and targets, developing detailed annual monitoring plans with defined responsibilities, aligning baselines and targets across systems and implementing quality assurance controls, to ensure compliance with these requirements;

38. Strengthen work planning and financial management by establishing clear timelines and responsibilities for workplan preparation and approval, implementing operational review controls using policy-recommended checklists, ensuring full cost recovery from non-core resources, and aligning output indicators between results and resources plans and workplans;

39. Strengthen implementing partner management by using competitive methods to select non-governmental organization implementing partners, conducting timely HACT assurance activities, enhancing programmatic and financial monitoring controls, ensuring compliance with PSEA guidelines, improving workplan management by developing rigorous quality review processes, establishing appropriate cash transfer modalities based on partner ratings, and ensuring timely follow-up on recommendations from assurance activities;

40. Strengthen supervisory controls to ensure timely implementation of planned activities, submission of donor reports, and effective coordination and communication with donors; and

41. Strengthen programme supplies management by conducting rigorous needs assessments, integrating programme supplies-related activities into workplans, and enhancing commodity storage and distribution controls.

Operations management

42. Enhance compliance with procurement procedures, particularly those related to the development of comprehensive procurement plans, proper documentation of receipt and inspection of goods using the correct policy-mandated reports, and establishment of long-term agreements for goods and services that are purchased on a regular basis;

43. Strengthen financial controls by adhering to prescribed procedures for the execution and recording of advance payments, the recording of recoverable value added tax amounts, and the identification and engagement of appropriate payment service providers for cash disbursements with enhanced monitoring mechanisms;

44. Discontinue the use of manual purchase orders and ensure the utilization of purchase orders generated within the enterprise resource planning system;

45. Train staff in the management of payments and correct recording of financial transactions and implement supervisory controls to prevent the charging of expenses to erroneous account codes; and

46. Enhance human resources management by ensuring timely contract signing, strengthening supervisory controls over recruitment and separation, documenting processes, training staff on policies, and obtaining necessary approvals.

47. In addition to the common themes in audit issues and recommendations identified above, audits completed in 2024 identified *several other high-risk issues* that require the specific attention of the Executive Board, mainly pertaining to individual business units:

(a) One country office did not maintain an effective resource management process, leading to a financial deficit of \$4.0 million in customs clearance and supply chain management costs in 2024 (projected to increase to \$7.9 million in 2025). Other issues included project over-expenditures in the aggregate amount of \$1.1 million and a shortfall of \$0.5 million in regular resources, as of 30 November 2024. Management estimated the shortfall would increase by about \$0.4 million by the end of December 2024 and projected the overall financial deficit to worsen, given the anticipated retroactive salary increases following a recent national staff salary survey. The financial impact of the retroactive action, covering three years (2023-2025), was estimated at \$3.3 million, with the initial estimate of the impact on 2024 being \$2.2 million. The final financial impact of the retroactive salary costs was lower (\$847,000 for 2023-2024), and was covered by an additional allocation approved by the UNFPA Resource Management Committee in January 2025. In addition, the country office undertook an office structure realignment,

which reduced its footprint and aligned it with the lower resources available. The realignment was approved by the Resource Management Committee in February 2025. Significant issues in the costing of funding proposals, resource planning, budgeting and expense allocation processes contributed to the financial deficit, compounded by unrecorded expense transactions, which limited the visibility of the costs incurred;

(b) In July 2024, the Central Bank of Yemen (Aden) revoked the licenses of six commercial banks operating in the country. One of the six banks was a commercial bank used by most United Nations agencies, including UNDP, through which UNFPA and several of its implementing partners in Yemen handled transactions. The unanticipated bank closures created liquidity shortages that negatively impacted UNFPA operations in the country. Cash advances amounting to \$4.2 million, previously transferred by UNFPA to implementing partner bank accounts for programme activities, became inaccessible. To mitigate disruption to UNFPA operations and ensure continued programme implementation, the country office, with proper regional and headquarter consultation, took several timely steps. While acknowledging the mitigation efforts, OASIS recommended additional actions to address the critical nature of the banking situation and further mitigate its adverse impact on programme implementation;

(c) One country office implemented a Cash and Voucher Assistance (CVA) programme at a cost of \$1.2 million (as of September 2024). The CVA programme design and delivery had several gaps, including: (a) it was not pre-cleared by the relevant regional office and headquarters before implementation, as required by policy; (b) the CVA risk assessment undertaken did not cover financial and fiduciary risks and was not cleared by UNFPA headquarters, as required; (c) significant direct cash disbursements (\$0.9 million in 2024) were used as a means for CVA delivery, a practice that is strongly discouraged by policy in certain contexts; and (d) beneficiary information retained by the country office was insufficient to allow effective validation of distribution reports and post-distribution monitoring;

(d) One country office procured excess quantities of contraceptives in comparison to identified needs, increasing the risk of wastage, damage and product expiry. This happened in spite of the fact that a commodity quantification and forecasts report, which should have informed stock levels, indicated that the contraception method was one of the least used in the country; and

(e) Two country offices made extensive use of manual purchase orders, with one issuing over 200 purchase orders for a cumulative amount of \$350,000 and the other issuing over 100 such orders in the total amount of \$100,000. The use of manual purchase orders prevented the related procurement transactions from being subjected to key controls embedded in the corporate enterprise resource planning systems. It should, however, be noted that the review of a sample of manual purchase orders by OASIS did not reveal any actual breaches of controls in relation to the manual purchase orders.

48. Details on common, and high- and medium-risk issues and recommendations are provided in annex 3.

b. Corporate and process audits

49. OASIS concluded five corporate and business process audit engagements in 2024. These were the audits of the UNFPA headquarters recruitment process, business continuity management, enterprise resource planning system (Quantum), information security management practices and processes, and identity and access management practices and processes.

50. The audit of the UNFPA headquarters recruitment process⁸ resulted in an overall rating of ‘partially satisfactory, with some improvement needed,’ with four high priority recommendations out of a total six. OASIS recommended that UNFPA develop and implement a time-bound action plan to address gaps in the organization’s recruitment framework. Specifically, UNFPA should establish clear guidelines and key performance indicators to monitor compliance with recruitment policies, enhance the use of technology solutions to streamline data management and reporting, and ensure consistent risk assessments across all recruitment stages. Additionally, OASIS recommended the creation of a centralized dashboard to track recruitment progress and address delays, alongside developing training programmes to improve staff capacity in managing the recruitment process. These measures were aimed at mitigating risks such as inadequate technical resources, inconsistent policy application and delays in filling critical positions, which could hinder the organization’s ability to deliver on its mandate effectively.

⁸ Audit report number: [IA/2024-07](#) - Audit of the UNFPA Headquarters Recruitment Process.

51. The business continuity management audit⁹ resulted in an overall rating of ‘partially satisfactory, with some improvement needed,’ with six recommendations, three of which were of high priority. OASIS recommended the updating of outdated policies, procedures and guidance to ensure alignment with current operational needs, establishing clear guidelines and key performance indicators to enhance the management of critical incidents and disaster recovery and leveraging technology to improve data collection and reporting across all offices. OASIS also recommended conducting regular risk assessments and incorporating them into business continuity planning, developing a robust disaster recovery strategy with impact analysis and establishing a centralized monitoring system to track compliance and response effectiveness. These measures aimed to address risks such as inadequate corporate guidelines, insufficient risk assessment processes and delays in operational response, which could undermine the organization’s ability to manage and recover from disruptions effectively.

52. The audit of the UNFPA enterprise resource planning system (Quantum)¹⁰ resulted in an overall rating of ‘partially satisfactory, with some improvement needed,’ with one high priority recommendation out of a total of nine.

53. The audit of UNFPA information security management practices¹¹ resulted in an overall rating of ‘partially satisfactory, with some improvement needed,’ with seven recommendations, including one high priority one.

54. The audit of UNFPA identity and access management practices and processes¹² resulted in an overall rating of ‘partially satisfactory, with some improvement needed,’ with a total of five recommendations, all rated medium priority.

55. In 2024, management took action to address matters raised in the 2023 OASIS opinion on the organization’s governance, risk management and control processes, and recommendations provided in the internal audit reports issued in 2024. Several of the recommendations that were due for implementation in 2024 were already closed by year end. Details of actions taken by management in 2024 are outlined in annex 2.

c. Internal audit strategy

56. Based on the results of work concluded in implementing the 2024 audit plan and in conformance with the Standards,¹³ OASIS took into consideration the ratings it rendered at the individual engagement level, in the 28 internal audit reports issued during the year, in the formulation of its overall opinion on UNFPA governance, risk management and control processes. Although 11 per cent (4 per cent in 2023) of the 28 reports had an overall rating of ‘unsatisfactory’ and 18 per cent ‘partially satisfactory, with major improvement needed’ (33 per cent in 2023), none of the issues identified in the reports (the more prevalent ones of which are highlighted in the subsections above) were assessed as being significant enough as to significantly affect the achievement of UNFPA objectives.

57. Figure 1 below provides an overview of internal audit ratings on audit reports issued for 2020-2024.

Figure 1. Overview of internal audit ratings for 2020-2024

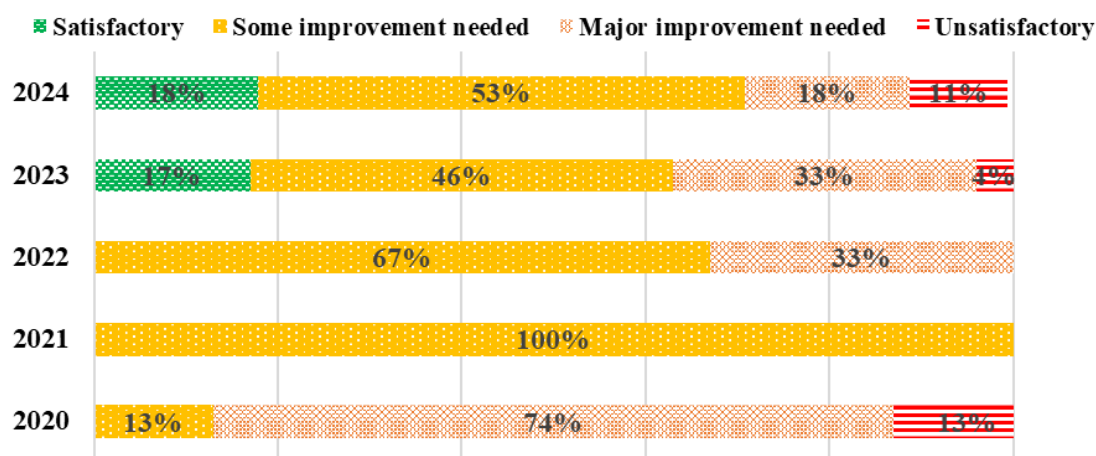
⁹ Audit report number: IA/2024-23 - Audit of Business Continuity Management in UNFPA.

¹⁰ Audit report number: IA/2024-26 - Audit of the UNFPA Enterprise Resource Planning System (Quantum).

¹¹ Audit report number: IA/2024-27 - Audit of UNFPA Information Security Management Practices and Processes.

¹² Audit report number: IA/2024-29 - Audit of the UNFPA Identity and Access Management Practices and Processes.

¹³ ISPPA 2410.A1 – Opinion at the engagement level.

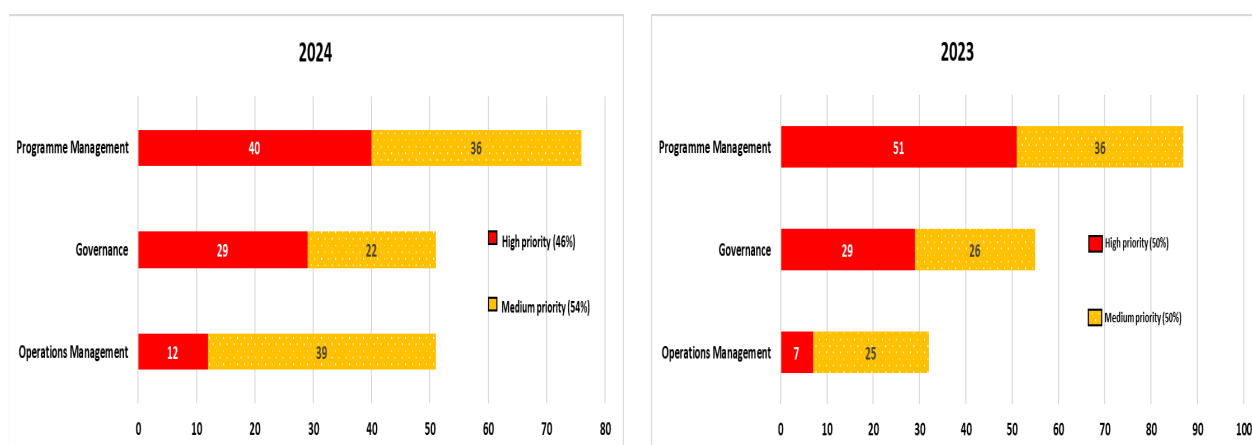


d. New internal audit recommendations

58. The 28 audit reports issued in 2024 resulted in 205 recommendations, 84 (41 per cent) of which were ranked 'high priority.'

59. Overall, 178 recommendations were issued to country offices and one subregional office in 2024 (174 in 2023). The pattern in 2024 was consistent with that of 2023, with 'programme management' being the largest category. A larger proportion of recommendations (51, or 29 per cent) were issued under 'operations management' in 2024 (32, or 18 per cent in 2023). The proportion of 'high' priority recommendations decreased in 2024, compared to 2023 (see figure 2 below).

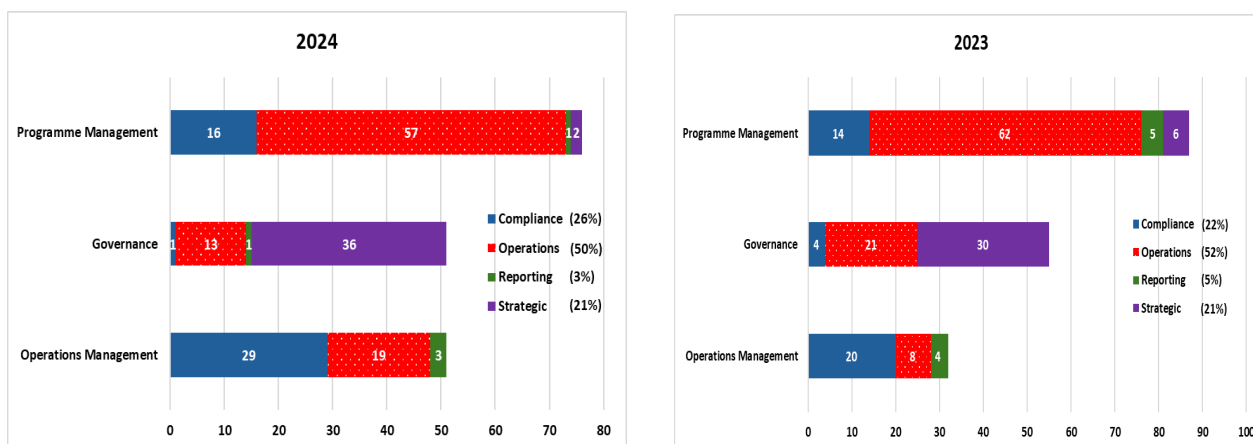
Figure 2. Country and subregional offices – recommendations by priority level



60. OAS categorizes the achievement of control objectives into four categories: ‘strategic’; ‘operational’; ‘reporting’; and ‘compliance’; these are based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework, an industry standard model for organizations to evaluate and implement internal controls. ‘Strategic’ refers to high level goals aligned with and supporting the organization’s mission; ‘operational’ refers to executing economical, efficient, and effective operations in safeguarding resources; ‘reporting’ refers to reliability of reporting; and ‘compliance’ to adherence to corporate regulations, rules, and procedures.

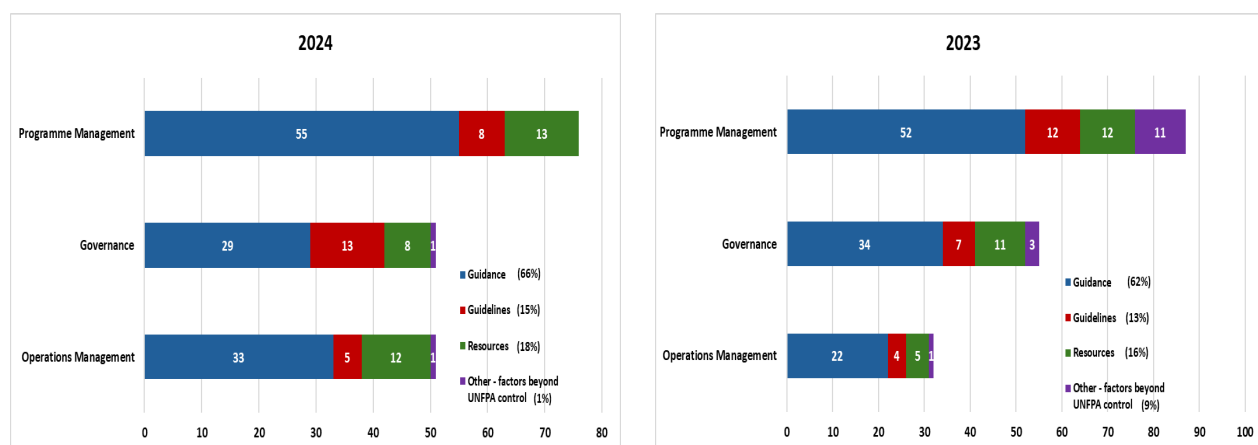
61. The pattern by type showed an increase (in proportion) of ‘compliance’ issues, with ‘operational’ remaining the highest category. The pattern by type showed a slight decrease (in proportion) of ‘operational’ and ‘reporting’ issues in 2024, compared to 2023 (see figure 3 below).

Figure 3. Country and subregional offices– recommendations by type



62. Insufficient ‘guidance’ remained, by far, the main cause of issues, followed by inadequate ‘resources’ (human or financial, including training), which increased in proportion in 2024. Consistent with the prior year, ‘Guidelines’ (lack of or inadequate policies) ranked third but showed a slight increase (in proportion) in 2024. The proportion of ‘errors’ (human or intentional) and ‘other factors beyond UNFPA control’ showed a decrease (in proportion) in 2024 (see figure 4 below). As part of its regular root cause analyses, OAIS will continue exploring the causes of audit issues.

Figure 4. Country and subregional offices – recommendations by cause



63. No regional office audit was concluded in 2024.

64. The remaining 27 out of 205 recommendations issued in 2024 related to business process audits, where patterns could not be established due to the unique nature of the audited areas and auditing procedures followed for each engagement.

C. Implementation of internal audit recommendations

65. The implementation rate of internal audit recommendations issued prior to 2024 was 92 per cent (78 per cent in 2023). Eighty per cent of the recommendations issued in 2024 are due for implementation in 2025 and 2026. UNFPA management agreed with all internal audit observations and recommendations in the reports issued in 2024.

66. Two recommendations relating to a business process audit report issued in 2022 were closed in 2024 based on management’s acceptance of risk. Management indicated that one, a high priority recommendation to link travel with workplan activities in the enterprise resource planning system, could not be implemented as the functionality was outside the travel module’s scope, with existing travel approval controls mitigating any pertinent risks. For the other, a medium priority recommendation to enhance travel process transparency through customization of the shared travel module with other agencies using the same enterprise resource planning system, management indicated that its implementation was not feasible and that existing manual processes adequately addressed the risks identified by the audit.

67. There were three long outstanding audit recommendations (15 in 2023),¹⁴ over 18 months old, as shown in table 4. The three recommendations were of high priority and related to country office audits. Detailed information on long overdue recommendations is set out in annex 8.

¹⁴ The term long-outstanding recommendation is used in the harmonized approach for those that remain open beyond 18 months from the issuance of a report.

Table 4. Aging status of recommendations, as of 31 December 2024

| Priority | Total outstanding recommendations | <12 months | 12-18 months | >18 months |
|------------------------|-----------------------------------|------------|--------------|------------|
| High | 94 | 70 | 21 | 3 |
| Medium | 109 | 100 | 9 | - |
| Total | 203 | 170 | 30 | 3 |
| Due in 2025 and beyond | 171 | 149 | 16 | 6* |
| Overdue | 32 | 31 | 1** | - |

* These represent recommendations where implementation timelines provided by management were more than 18 months beyond 31 December 2024. Their implementation is, therefore, due in the future.

** One of the overdue recommendations was closed in the first quarter of 2025.

D. Issuance and publication of internal audit reports

68. All internal audit reports issued against the audit plan for 2024 were publicly disclosed, in accordance with Executive Board decision 2012/18; they are published¹⁵ on the UNFPA audit disclosure website: <https://www.unfpa.org/internal-audit-reports-listing-page>. OASIS partially redacted three reports issued in 2024 relating to information and communication technology (ICT) audits to prevent public disclosure of sensitive information on the organization's systems and cybersecurity. No additional requests for redaction of audit reports were received in 2024 from either the Executive Director or the permanent missions of the Member States where the audited country offices are located.

VIII. Investigation activities and results

69. OASIS is responsible for conducting investigations into allegations of wrongdoing, including but not limited to:

- (a) *'Internal' investigations*: misconduct by UNFPA staff, interns, junior professional officers, United Nations volunteers and UNFPA service contractors, ranging from fraud and corruption to harassment, sexual harassment, abuse of authority, retaliation, sexual exploitation and abuse (SEA), and other violations of applicable regulations, rules and administrative or policy issuances;
- (b) *'External' investigations*: wrongdoing, including proscribed practices and SEA by independent contractors, implementing partners, suppliers and other third parties committed to the detriment of UNFPA; and
- (c) *'Third-party'-led investigations*: OASIS follows investigations conducted by UNFPA implementing partners, particularly in relation to inter alia, fraud and SEA, which implicate implementing partner personnel and subcontractors. In addition, OASIS reviews third-party investigation dossiers from other United Nations organizations concerning UNFPA personnel for potential endorsement.

70. The investigation process adopted by OASIS, as previously described (see [DP/FPA/2018/6](#), paragraph 29), did not change in 2024. The process involves the receipt of a complaint or report of wrongdoing, which is immediately screened to determine whether the matter falls within the OASIS mandate. If the matter falls within its mandate, OASIS opens a case in the preliminary review stage. If the case involves a referral of retaliation from the Ethics Office, it is immediately opened in the investigation stage. Any matter not opened as a case by OASIS is registered as a 'non-case.' At the preliminary review stage, OASIS determines whether the reported matter constitutes a prima facie case of wrongdoing. If it does not, OASIS closes the matter with a case closure note and, if needed, sends a referral to the appropriate office to address the issue. If it does, OASIS opens an investigation during which all avenues of inquiry are pursued and available evidence – testimonial, documentary, digital or otherwise – is collected. If, during an investigation, OASIS determines that a prima facie case of wrongdoing can no longer be sustained or that the matter no longer warrants investigation, it may close the matter with a case closure note and

¹⁵ Publication refers to the uploading of issued audit reports in the Audit and Investigation webpage of the UNFPA website (<https://www.unfpa.org/audit-and-investigation>)

inform the complainant and/or victims of the investigative outcome. At the conclusion of a full investigation process, both the complainant/victim and the subject of the investigation are informed of the investigative outcome. For cases not involving retaliation, if substantiated, the matter is referred to the UNFPA Legal Unit via an investigation report; or, if not substantiated, an investigation closure report is retained on file by OAS. For cases involving retaliation, whether the allegations are substantiated or not, OAS prepares investigation reports and submits these to the Ethics Office. When OAS closes a case, it can also, if needed, send a referral to the appropriate UNFPA business unit or other United Nations agency to address the issue/take further action. OAS reserves the right to reopen a case should new information about the allegation(s) be received and warrant reopening of the matter.

a. Case carryover from 2023 and previous years

71. At the start of 2024, OAS carried over 314 open cases from previous years. Of these, 250 (80 per cent) were at the preliminary review stage and 64 (20 per cent) were in full investigation. In line with harmonized definitions and reporting of the relevant United Nations funds and programmes, of the 314 open cases at the beginning of 2024, 164 (52 per cent) had a primary allegation¹⁶ of fraud and financial irregularities; 58 (18 per cent) had a primary allegation of sexual misconduct (sexual exploitation and abuse, sexual misconduct or sexual harassment); 56 (18 per cent) had a primary allegation of prohibited conduct (abuse of authority, discrimination or workplace harassment); 35 (11 per cent) had a primary allegation of other misconduct/wrongdoing (such as abuse of privileges and immunities, favouritism, unauthorized disclosure and unethical practices); and one case (less than 1 per cent) concerned retaliation. As of 1 January 2024, with reference to the harmonized categories, the 314 carryover cases were at different stages of the investigation process:¹⁷

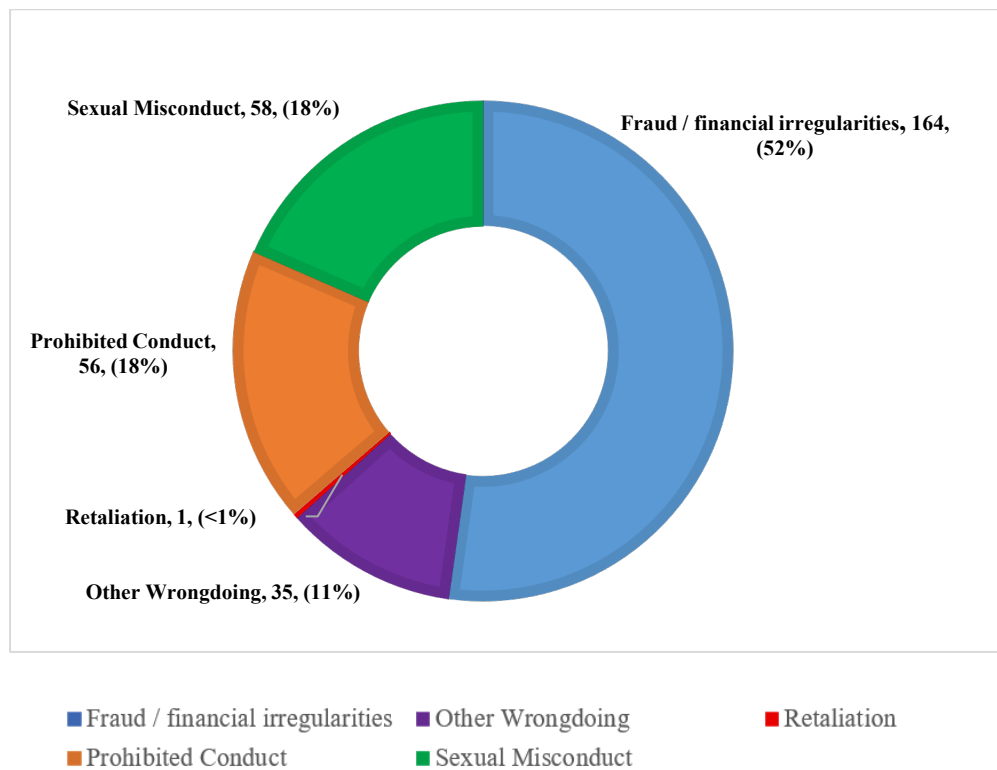
- (a) Of the 164 fraud and financial irregularities cases, 130 were in preliminary review and 34 were in full investigation;
- (b) Of the 58 sexual misconduct cases, 48 were in preliminary review and 10 were in full investigation;
- (c) Of the 56 prohibited conduct cases, 44 were in preliminary review and 12 were in full investigation;
- (d) Of the 35 other misconduct/wrongdoing cases, 28 were in preliminary review and 7 in full investigation;
- (e) The sole retaliation case was in full investigation.

72. Figure 5 shows a breakdown of cases carried over from 2023 and previous years using the above-mentioned harmonized categories.

¹⁶ A single case registered by OAS can contain multiple allegations. OAS produces statistics based on the primary allegation listed for each case.

¹⁷ As the 314 cases progressed in 2024, some of their primary allegations (the categorization under which the case is registered) may have changed.

Figure 5. Breakdown of the 314 cases carried over from 2023 and previous years



b. Intake in 2024

73. In addition to the 314 carryover cases, OASIS registered 366 new matters in 2024. Of these 366 new matters, 232 were registered as non-cases after initial screening and triage. The remaining 134 were opened as new cases. The number of new cases in 2024 decreased, compared to the figures for 2023 (167) and 2022 (166) but represents a substantial increase from the new case levels in 2021 (118), 2020 (116) and 2019 (112).

74. Of the 134 new cases opened, 73 cases (55 per cent) concerned internal subjects:

(a) These 73 cases implicated UNFPA staff (64 cases, 88 per cent); service contractors (six cases, 8 per cent); two cases in which the contractual status of the UNFPA personnel is unknown (two cases, 3 per cent); and a United Nations Volunteer (one case, 1 per cent).

75. Of the new cases, 51 (38 per cent) related to allegations against external persons or entities:

(a) These 51 cases implicated implementing partners and their staff members (34 cases, 66 per cent); suppliers (8 cases, 16 per cent); consultants and former consultants (5 cases, 10 per cent); and former UNFPA staff members (4 case, 8 per cent).

76. In 10 of the new cases (7 per cent), it is unknown if the subject is internal or external to UNFPA. This level of unknown subjects remains the same as 2023 (10 cases) but represents an increase, compared to previous years, which results, in part, from the OASIS focus from 2023 on product/commodity diversion cases. In product/commodity diversion cases, the subject of the allegation is not always immediately clear.

77. Overall, 15 (11 per cent) of the 134 new cases concerned current and former senior UNFPA officials at the P-5 level and above (see figure 6 below).

Figure 6. Breakdown of the 134 cases received in 2024

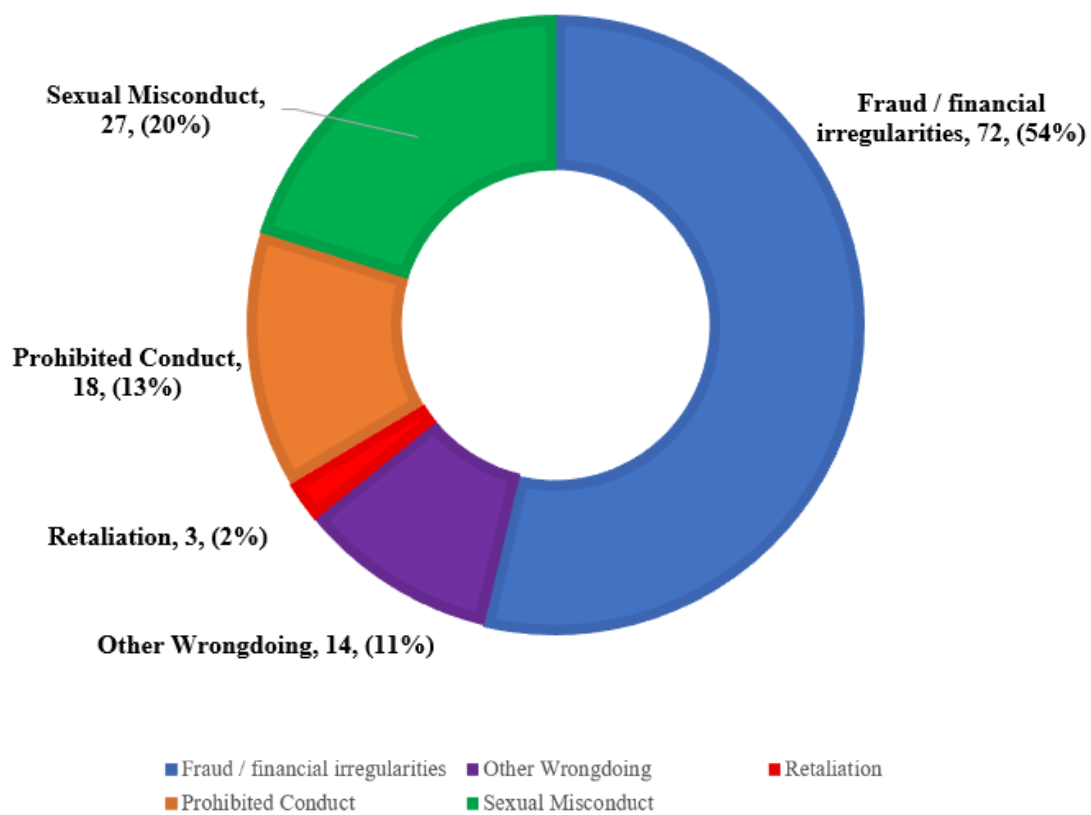


Table 5. Case intake category, by year

| Case intake, by category, for 2019-2024 | | | | | | |
|---|------------|------------|------------|------------|------------|------------|
| Allegation category | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Fraud and financial irregularities | 62 | 61 | 45 | 64 | 78 | 72 |
| Prohibited conduct | 20 | 17 | 26 | 41 | 30 | 18 |
| Sexual misconduct | 19 | 23 | 20 | 26 | 37 | 27 |
| Retaliation | 1 | 1 | 3 | 8 | 1 | 3 |
| Other wrongdoing | 10 | 14 | 24 | 27 | 21 | 14 |
| Total | 112 | 116 | 118 | 166 | 167 | 134 |

78. In addition to the above-mentioned 134 cases registered in 2024, OASIS opened 232 non-cases that comprised reports of wrongdoing that do not fall within the OASIS mandate, complaints that are more appropriately addressed by other units or departments or requests for advice, each of which required further review and action.¹⁸ This represents a 3 per cent decrease, compared to 2023 (238 non-cases), attributable to OASIS efforts to group together non-cases of a similar nature (such as job applications mistakenly sent to the OASIS hotline) that are not matters requiring assessment and investigation; a 44 per cent increase, compared to 2022 (161 non-cases), a 111 per cent increase, compared to 2021 (110 non-cases), a 383 per cent increase, compared to 2020 (48 non-cases), and a 563 per cent increase, compared to 2019 (35 non-cases). The increase in non-cases can be attributed to a better structured and more adequately resourced intake team due to increases in staffing from the initial phase of OASIS restructuring in 2022. The intake team applies a more rigorous intake process to screen complaints thoroughly, to determine whether they fall within the OASIS mandate, before opening a case.

c. Case intake at headquarters and by region

79. Table 6 below depicts the breakdown of cases opened in 2024, compared to 2023, 2022 and 2021, at headquarters and by region.

Table 6. Yearly case intake, at headquarters and by region, for 2021-2024

| UNFPA headquarters/region | 2021 | | 2022 | | 2023 | | 2024 | |
|------------------------------------|--------------------|------------------------|--------------------|------------------------|--------------------|------------------------|--------------------|------------------------|
| | Number of cases | Percentage of total | Number of cases | Percentage of total | Number of cases | Percentage of total | Number of cases | Percentage of total |
| Headquarters | 4 | 3 | 5 | 3 | 8 | 5 | 15 | 11 |
| Arab States | 31 | 26 | 33 | 20 | 27 | 16 | 20 | 15 |
| Asia and the Pacific | 14 | 12 | 42 | 25 | 48 | 29 | 23 | 17 |
| East and Southern Africa | 37 | 32 | 31 | 19 | 43 | 26 | 29 | 22 |
| Eastern Europe and Central Asia | 4 | 3 | 12 | 7 | 12 | 7 | 7 | 5 |
| Latin America and the Caribbean | 5 | 4 | 13 | 8 | 9 | 5 | 9 | 7 |
| West and Central Africa | 23 | 20 | 30 | 18 | 20 | 12 | 31 | 23 |
| Total | 118 | 100 | 166 | 100 | 167 | 100 | 134 | 100 |

d. Total caseload and case closure in 2024

80. In 2024, OASIS had a total caseload of 448 cases (314 carried over from 2023 and prior years and 134 new cases), which represents a 6 per cent decrease, compared to 2023 (474 cases); an 11 per cent increase, compared to 2022 (404 cases); and a 32 per cent increase, compared to 2021 (339 cases). One-hundred-and-sixty-five (165) of the 448 cases were closed by year-end 2024 (see table 7 and figures 7 and 8 below).

81. Of the 165 cases closed at year-end 2024, 133 (81 per cent) consisted of backlog cases (considered as cases received by OASIS prior to 2024). Of these 133 cases, one (less than 1 per cent of the total cases closed) was registered in 2017; nine (5 per cent) registered in 2018; 21 (13 per cent) in 2019; 14 (9 per cent) in 2020; 15 (9 per cent) in 2021; 26 (16 per cent) in 2022; and 47 (28 per cent) in 2023. Thirty-two (19 per cent) of the 165 cases closed in 2024 were received in the same year of closure (2024). The higher number of cases closed in 2023 and 2024 reflects OASIS efforts and its strategy in addressing incoming high-priority cases to prevent a build-up of future backlogs while, at the same time, addressing open cases carried over from prior years.

18. In 2024, OASIS sent nine referrals/advisory memoranda concerning nine of these non-cases to the relevant UNFPA office or to another United Nations agency, where appropriate. Where possible and appropriate, OASIS acknowledged receipt of the non-cases and advised the complainant, if contactable, on the jurisdictional limitations of OASIS.

Table 7. Breakdown of cases handled in 2024

| Status of cases | Number of cases |
|---|-----------------|
| Carryover, as of 1 January 2024 | 314 |
| Intake during the year | 134 |
| Reopened from previous years | 0 |
| Total cases during the year | 448 |
| Closed during 2024 | 165 |
| Total cases closed by 31 December 2024 | 165 |
| Cases ongoing, as of 31 December 2024 | 283 |

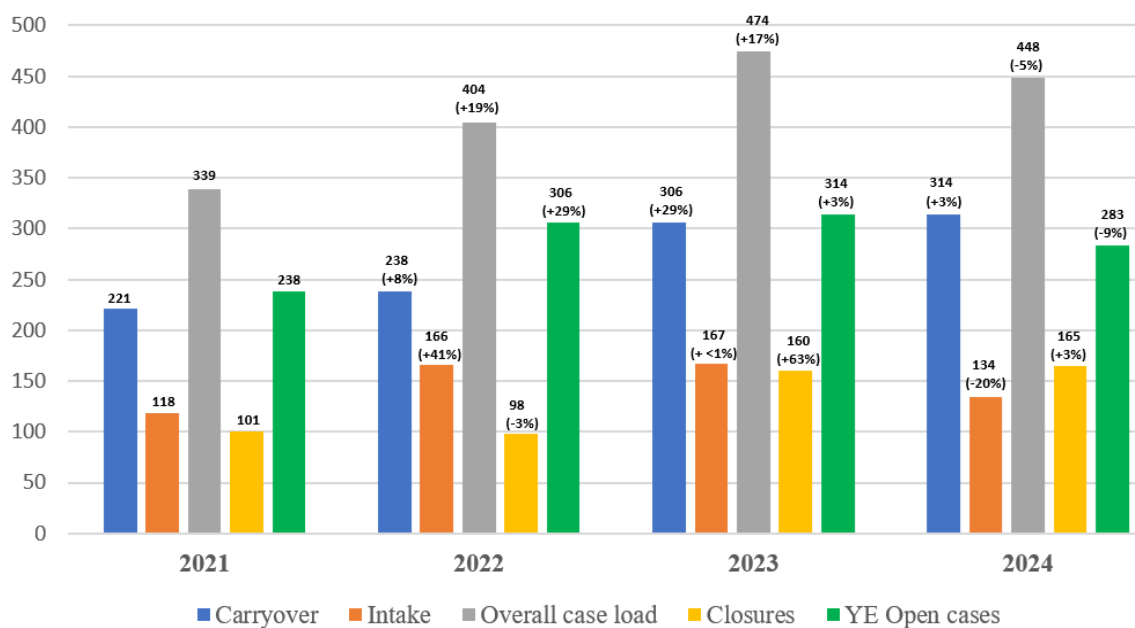
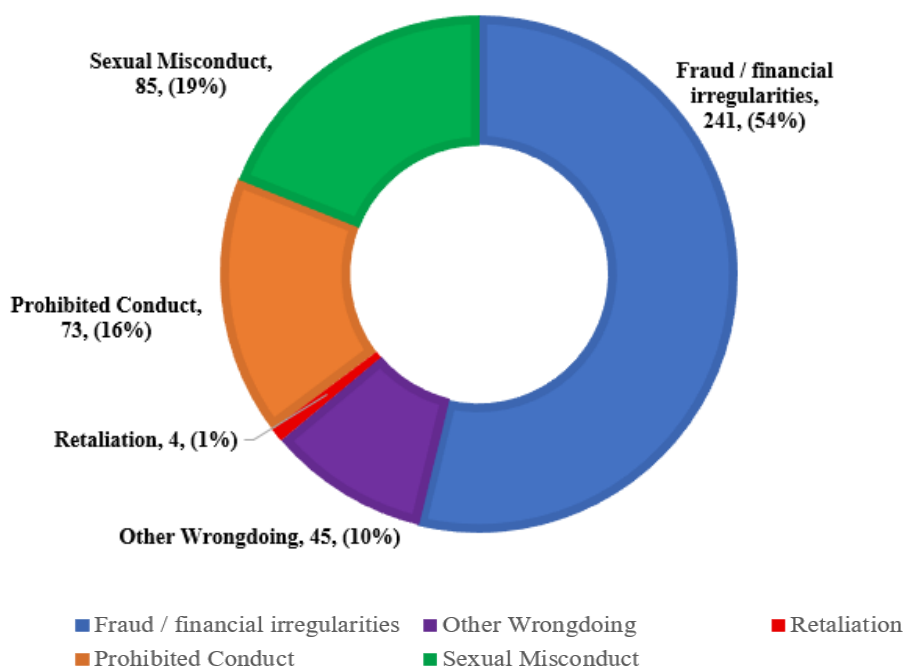
Figure 7. Yearly intake, carryover, overall caseload, closures and open cases

Figure 8. Caseload at year-end 2024 (448 cases)

82. Overall, as stated above, 165 cases were concluded by year-end in 2024. These 165 cases represent a 3 per cent increase over the cases closed in 2023 (160), a 68 per cent increase over 2022 (98), a 63 per cent increase over 2021 (101), a 120 per cent increase over 2020 (75), and a 371 per cent increase over 2019 (35).

(a) Of the 165 cases closed, 151 (92 per cent) concerned internal or external OASIS investigations, i.e. OASIS led investigations, and 14 (8 per cent) concerned third-party investigations in which OASIS reviewed the investigation dossier for possible endorsement. The majority of these third-party investigations were conducted by UNFPA implementing partners (12 cases), with other United Nations investigative units (one case) and special audits (one case) comprising the remainder of these investigations.

(b) Of the 165 cases, 129 (78 per cent) were closed through case closure notes after preliminary review or prior to the conclusion of a full investigation.¹⁹ These 129 cases also encompassed 11 (7 per cent) third-party investigations each conducted by UNFPA implementing partners, which were closed by OASIS prior to a full investigation and without formal endorsement by OASIS. Of these 11 cases, the third parties substantiated the underlying allegations in seven of these cases (4 per cent); in four cases, the allegations were unsubstantiated (2 per cent) (see figures 9 and 10 below).

(c) Thirty-six cases (22 per cent) were closed via an investigation report or investigation closure report after a full investigation, i.e., after the subject was notified, all relevant witnesses interviewed, and all relevant evidence reviewed (see figures 9 and 10).

(d) Of the 36 cases closed following a full investigation; 33 concerned investigations carried out by OASIS. Twenty-one (21) of these OASIS-led investigations had at least one substantiated allegation. This represents 13 per

19. For cases closed by case closure note, OASIS collected evidence and determined that: (a) the matter does not fall within OASIS' mandate; (b) there are no reasonable indications that wrongdoing may have occurred; (c) there is no specific information to warrant and form the basis of a formal investigation; (d) the conduct complained of did not rise to the threshold or meet the definition as enshrined in policy; (e) an investigation was otherwise not the most appropriate action; or (f) one or more of the expanded case closure criteria enshrined in the OASIS workplans for 2023 and 2024 applies.

cent of the total cases closed and 64 per cent of the full investigations led by OAS. Twelve of the OAS-led investigations were unsubstantiated. This represents 7 per cent of the total cases closed and 36 per cent of the full investigations carried out by OAS. Three third-party investigation dossiers (2 per cent of total cases closed) were endorsed by OAS following the opening of a full investigation. These third-party investigations were carried out by a UNFPA implementing partner (one case), another United Nations investigations unit (one case), and an endorsement of a joint special audit (one case) (see figure 10 below).

(e) Thirty (18 per cent) of the 165 cases concluded concerned current or former senior UNFPA officials at the P5 level or above. Twenty-two (13 per cent of the total cases closed) of these cases were closed by case closure note prior to a full investigation; five (3 per cent) were substantiated following a full OAS-led investigation; one involved allegations that were substantiated by another United Nations investigative agency, which OAS endorsed (<1%); and two (1 per cent) were unsubstantiated following a full OAS-led investigation.

(f) In 2024, OAS sent eight case-related referrals/advisory memoranda concerning nine cases to appropriate UNFPA offices or other United Nations agencies for action, as deemed necessary.

Figure 9. Breakdown of OAS-led cases closed in 2024 (151 cases), by category and outcome

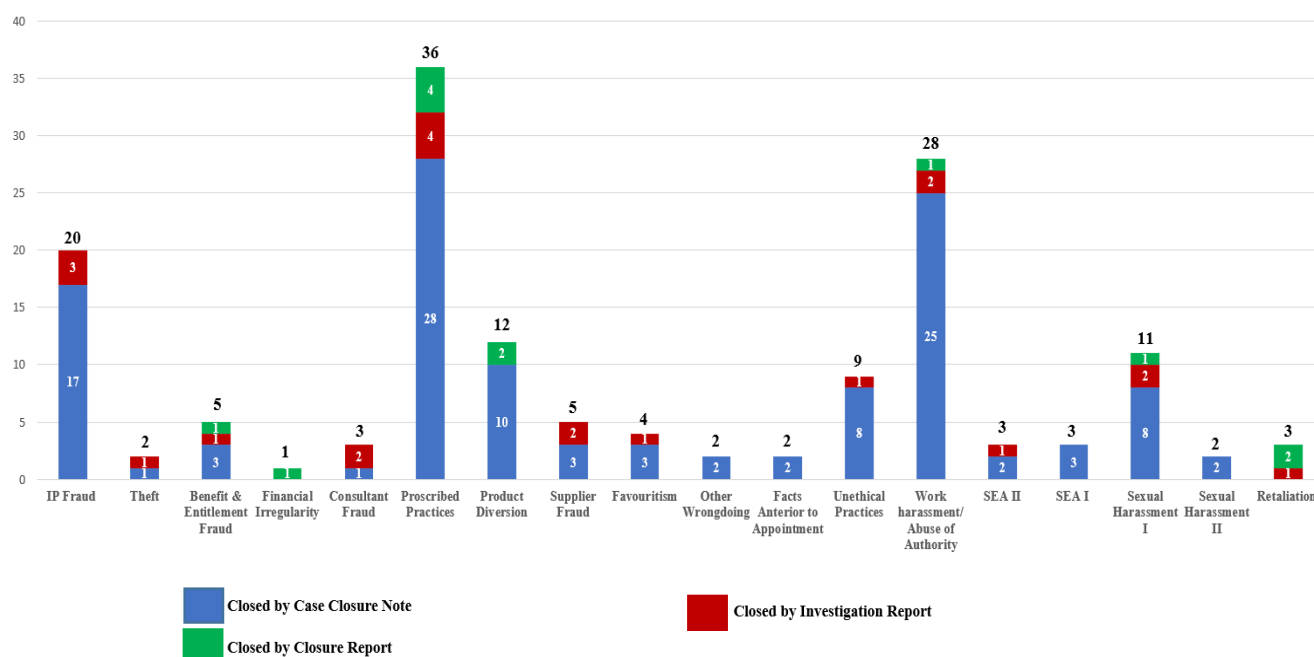
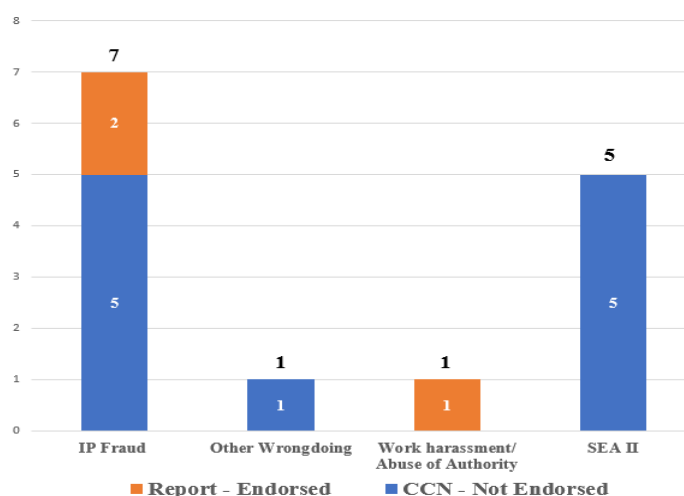


Figure 10. Breakdown of third-party investigations reviewed by OASIS in 2024 (14 cases), by category and outcome



83. Of the 36 cases that were closed after a full investigation in 2024, 21 were substantiated in full or in part, and three third-party investigation dossiers were endorsed following a full investigation (see figures 9 and 10, table 8 and details in annex 4). For retaliation investigations, OASIS closes the case by submitting an appropriate work product to the Ethics Office for further action, regardless of whether the allegations are substantiated or unsubstantiated. In all other cases, if an OASIS-led investigation results in at least one substantiated allegation, OASIS closes the case by submitting an investigation report to the UNFPA Legal Unit for further action. If no allegations are substantiated, the case is closed by OASIS with a closure report (see figures 9 and table 8).

84. In relation to third-party led investigations, OASIS reviews the investigation dossier for possible endorsement. Typically, third-party investigations are closed by case closure note where they can be endorsed without any further investigation/action needed or where OASIS is unable to endorse but there are cogent reasons for not opening a full investigation. OASIS opens a full investigation for third-party dossiers when there is follow up action needed, such as OASIS or the third party having to carry out further investigative action or where it is considered that the matter should be referred to the Legal Unit or Implementing Partner Review Committee (see figure 10 and table 8).

85. Of the 24 substantiated cases and endorsed third party investigation dossiers, the primary allegations are broken down as follows:

- (a) Most cases (15 cases, 62 per cent) concerned fraud and financial irregularities, which are broken down to five cases of implementing partner fraud (21 per cent); four cases of proscribed practices (17 per cent), two cases each of consultant fraud (8 per cent) and two cases of supplier fraud (8 per cent), one case each of benefit and entitlement fraud (4 per cent), and theft (4 per cent);
- (b) Sexual misconduct (three cases, representing 13 per cent), comprising two cases of sexual harassment (8 per cent) and one case of sexual exploitation and abuse (4 per cent);
- (c) Prohibited conduct (three cases representing 13 per cent), comprising three cases of workplace harassment/abuse of authority;
- (d) Other wrongdoing (two cases representing 8 per cent) comprising one case of favouritism (4 per cent) and one case of unethical practices (4 per cent); and
- (e) Retaliation (one case representing 4 per cent).

86. Of the cases involving financial matters, which were closed following a full investigation, seven had financial consequences for UNFPA, and in each case, OASIS was able to determine the estimated loss. The aggregate value

of substantiated cases involving a loss for UNFPA, through fraudulent practices or financial irregularities, amounted to \$2,613,691 (see annex 4).²⁰ Management is pursuing all avenues of loss recovery.

87. At year-end 2024, 283 cases were carried over to 2025. These cases were primarily implementing partner fraud (63 cases) (22 per cent); proscribed practices (55 cases) (19 per cent); workplace harassment/abuse of authority (45 cases) (16 per cent); sexual exploitation and abuse (38 cases) (13 per cent) – were carried over to 2025 (see annex 5 and figure 11). This represents a 10 per cent decrease in cases carried over, compared to year-end 2023 (314 cases), an 8 per cent decrease compared to year-end 2022 (306 cases), and a 19 per cent increase compared to year-end 2021 (238 cases). The decrease in cases carried over to 2025 compared to recent years is attributed to continuous OASIS efforts to deal with a large backlog of cases that accumulated in recent years due to an increase in reporting of misconduct and previous personnel vacancies in the Investigation Branch.

88. Of the 283 outstanding cases at year-end 2024, 32 (11 per cent) involve cases against current or former senior UNFPA officials at the P-5 level and above. Of the 283 outstanding cases, 206 (73 per cent) were at the preliminary review stage and the remaining 77 were either at the investigation (65 cases) (23 per cent) or report-writing stages (12 cases) (4 per cent). In accordance with the harmonized definitions and reporting of the funds and programmes, the 206 outstanding cases at the preliminary review stage concerned: fraud/financial irregularities (53 per cent); sexual misconduct (23 per cent), prohibited conduct (14 per cent); and other wrongdoing (10 per cent).

89. The cases concluded in 2024 were closed in an average of 27.56 months from receipt to closure. While the figure may seem high, it reflects targeted OASIS efforts in 2024 to address its backlog of aged cases, some of which had been pending for over five years. The portfolio of outstanding cases at year-end was aged, on average, over 18.65 months; 84 per cent of which were above the six-month target (i.e. received by OASIS prior to 01 July 2024), being, on average, 21.6 months old.

90. In conducting its investigative activities in 2024, OASIS issued five requests for placement/ extension of administrative leave against UNFPA staff members, which were each approved. OASIS also issued 5 notices of seizure of ICT equipment and served 30 notices of formal investigation against UNFPA personnel, vendors and implementing partners. It should be noted that the issuance of notices of formal investigation generally occurs at the end of an investigation and shortly prior to interviewing a subject of allegations, and not necessarily upon opening a full investigation case. At the conclusion of a case, it may be necessary to share observations or provide recommendations to management or external parties regarding control issues or best practices or refer allegations to another entity for investigation or action. In 2024, OASIS issued such memorandums.

Table 8. Disposition of cases completed in 2024

| Type of closure | Number of cases |
|---|-----------------|
| PART 1. CASES CLOSED AFTER FULL INVESTIGATION | |
| Disposition of substantiated investigation reports completed by OASIS: | |
| Submitted to the Legal Unit | 20 |
| Submitted to the Ethics Office (retaliation) | 1 |
| Disposition of third-party investigation dossiers endorsed by OASIS: | |
| Submitted to the Legal Unit | 3 |
| Subtotal | 24 |
| Disposition of unsubstantiated investigations via investigation closure reports | |
| Submitted to the Ethics Office (retaliation) | 2 |
| Allegation not substantiated / the conduct did not reach the threshold or definition required by the policy | 10 |
| Subtotal | 12 |
| Total Part 1 | 36 |

²⁰OASIS observes that out of the total loss of USD \$2,613,691, there is one major case representing a loss of USD \$2,271,466 (i.e. 87 per cent% of the total financial losses in 2024), although it should be noted that these losses relate to fraudulent practices at a former implementing partner, which occurred between 2013 and 2018, and which were only brought to the attention of OASIS in 2022.

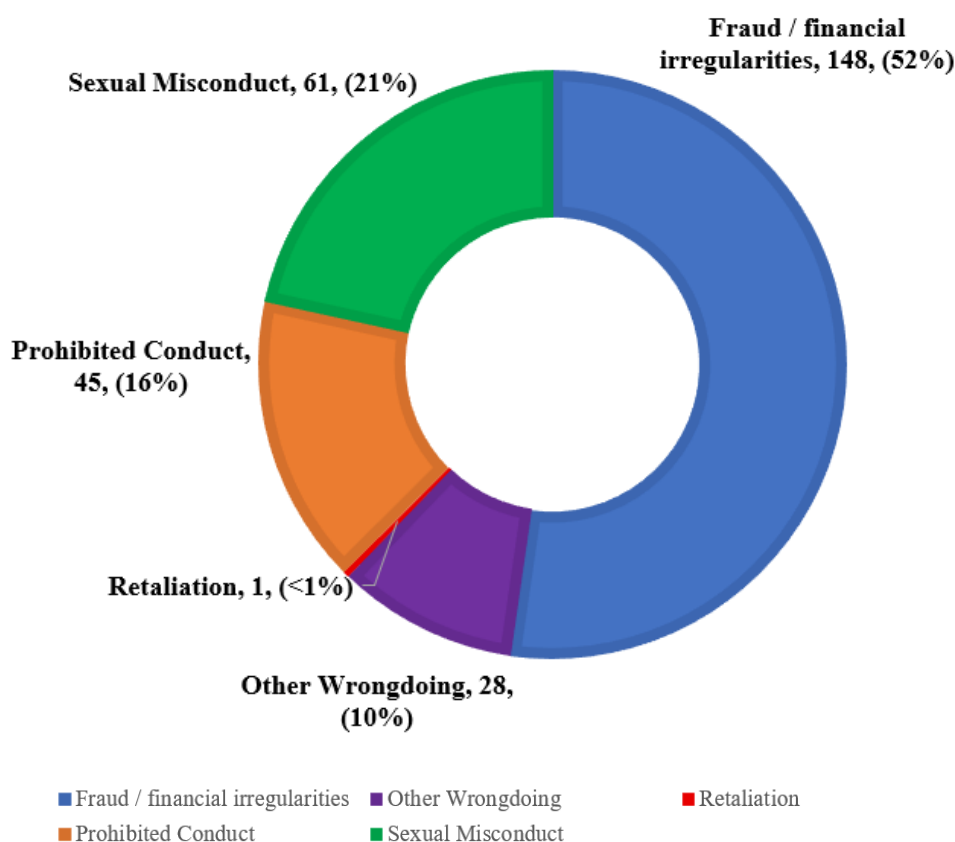
| Type of closure | Number of cases |
|--|-----------------|
| PART 2: CASES CLOSED AFTER PRELIMINARY ASSESSMENT | |
| Case closure notes following OAIS-led preliminary assessment | 118 |
| Third-party dossiers not endorsed and closed via a closure note | 11 |
| Total Part 2 | 129 |
| Total cases closed in 2024 | 165 |
| Referrals/advisory memoranda to other internal/external departments | 17* |
| * Nine of these referrals/advisory memoranda encompassed non-cases, and some referrals encompassed multiple cases in a single referral/ memorandum | |

91. At the time of writing this report, the status of the 21 investigation reports and three endorsed third-party investigation dossiers that were submitted to the UNFPA Legal Unit, the Implementing Partner Review Committee (IPRC) or the Vendor Review Committee (VRC) in 2024 was as follows (see table 8 and annex 4 for details):

- (a) Seven cases involving implementing partners were referred to the IPRC for decision. Six of these were substantiated and one, a third-party investigation (TPI), was, despite the underlying allegations being unsubstantiated, referred to the Legal Unit for weaknesses identified in the implementing partner's investigative approach.
 - (i) In one case, the IPRC observed that implementing partner management already completed actions in response to a third-party special audit, which entailed accepting additional documentation to clear the identified financial loss. The IPRC decided to place a note summarizing the case in the IP records;
 - (ii) In one case, the IPRC decided to debar the implementing partner with conditional release and to reference the matter on the United Nations Partner Portal;
 - (iii) In one case, in which the allegations were unsubstantiated, the IPRC issued a reprimand letter to the implementing partner reminding of its contractual obligations regarding investigations to be undertaken;
 - (iv) In one case, the IPRC communicated a reprimand letter to the implementing partner reminding of its contractual obligations and requesting an action plan for addressing shortcomings. The implementing partner acknowledged its shortcomings and informed that it had dismissed the implicated IP official;
 - (v) In one case, the IPRC requested that the implementing partner take corrective actions. The implementing partner informed OAIS that it dismissed the implicated official;
 - (vi) In one case, the IPRC sent a letter to the implementing partner and its parent organization requesting a refund of \$2,271,466. UNFPA also decided to reference the matter on the United Nations Partner Portal; and
 - (vii) In one case, the IPRC decided to debar the implementing partner with conditional release and to reference the matter on the United Nations Partner Portal. The IPRC requested that the UNFPA PSEAH Coordinator work with the UNFPA country office to include the subject's name in a sexual misconduct database for non-governmental organizations.
- (b) Disciplinary action was taken in three cases involving UNFPA personnel:
 - (i) In one case, a UNFPA service-contractor's contract was terminated;
 - (ii) In one case, a staff member received a sanction of loss of one step in grade and a one- year deferment of eligibility for salary increment; and
 - (iii) In one case, a UNFPA consultant's contract was not renewed following its expiration.
- (c) Eight cases involved former UNFPA personnel whose contracts had not been renewed, or personnel who had resigned or otherwise separated from service before issuance of investigation reports or during the disciplinary stage:

- (i) In three cases involving two former individual contractors and a former UNFPA consultant, a note was placed in the subjects' personnel files to preclude rehiring;
 - (ii) In one case, a senior UNFPA official resigned prior to the conclusion of the disciplinary process. A note was placed in the senior official's personnel file to preclude rehiring. \$125,062 was recovered from the senior official but recovery efforts concerning the remaining loss amount are ongoing;
 - (iii) In one case submitted to the Ethics Office, a senior UNFPA official separated from service prior to the conclusion of the disciplinary process. A note was placed in the senior official's personnel file to preclude rehiring;
 - (iv) In one case, a senior UNFPA official separated from service prior to the conclusion of the disciplinary process;
 - (v) In one case, a staff member resigned during the investigation. The staff member's name was added to the United Nations common database ClearCheck and a note was placed in the staff member's personnel file to preclude rehiring; and
 - (vi) In one case, a UNFPA consultant's name was added to ClearCheck and a note was placed in their personnel file to preclude rehiring.
- (d) Two cases were submitted to the Vendor Review Committee (VRC) for consideration. The VRC review of the two cases are ongoing;
- (e) In one case, the facts established by OAIS did not meet the evidentiary standard to determine misconduct as required by the United Nations administrative tribunals; and
- (f) Three cases involving UNFPA personnel were under consideration for appropriate organizational or disciplinary decision/action.

Figure 11. Breakdown of open cases (283), as of year-end and to be carried forward to 2025



IX. Advisory services rendered in 2024

92. In accordance with its charter, OAIS may provide advisory services to UNFPA management, to the extent that its independence and objectivity are not compromised. The advisory services provided are based on its knowledge of governance, risk management and internal control processes and on lessons learned from audits and investigations conducted. In providing these services, OAIS does not participate in the decision-making process or determine which actions UNFPA should undertake.

93. In 2024, OAIS continued to provide consulting services in diverse business areas, with the following advisory services delivered during the year:

(a) *Review of funding agreements.* OAIS reviewed and provided inputs to 13 agreements in 2024. These include funding agreements (nine), memoranda of understanding with other organizations (two), and long-term agreements or master service agreements with suppliers (two);

(b) *Policies and other activities.* To improve the organization's risk management processes, OAIS continued discharging its observer role on the Policy Committee and provided inputs in the review of 14 policies and procedures. Additionally, as part of its data management and analytics roadmap, OAIS conducted a review of UNFPA policies and procedures using machine learning and other algorithms to test certain assumptions, including the ability of staff and offices to comply with policies. The review involved analyses of 308 documents (policies, procedures, guidance notes, and agreements) out of the 480 in the corporate UNFPA Policies and Procedures Manual, with the findings reported to the Executive Committee;

(c) *Support to UNFPA senior management.* In addition to providing ad hoc advice to UNFPA senior management when called upon, OAIS continued its participation, as an observer, in various committees, including

the Executive Committee, the ERP Project Board, ICT Governance Board, the Humanitarian Steering Committee, the Oversight Compliance Monitoring Committee, and the Policy Committee;

(d) *General support to UNFPA personnel and management.* This continued to include ad hoc requests for information from various business units, responses to requests for assistance received through the corporate integrated service desk, and provision of monthly data for inclusion in UNFPA information dashboards;

(e) *Assessments of UNFPA by external parties and participation in donor visits.* In 2024, OAIS continued to provide inputs in reviews or assessments conducted by the Joint Inspection Unit (JIU) and other stakeholders, including recent donor missions to UNFPA by the United States Agency for International Development and the United Kingdom Foreign, Commonwealth and Development Office (FCDO). OAIS also supported a review by the Multilateral Organization Performance Assessment Network (MOPAN) that commenced in 2024.

(f) *Sexual exploitation and abuse and sexual harassment.* OAIS continued to provide training support to management and participated in the review of sexual exploitation and abuse and sexual harassment clauses in donor agreements. In this regard, OAIS: (i) provided advisory services to numerous regional and country offices and business units, participating in town hall presentations and meetings with UNFPA business units (e.g., the UNFPA Nordic Representation Office) and donors (e.g., FCDO Sexual Misconduct Investigations Team); (ii) conducted PSEA Implementing Partner Protocol Core Standard 8 reviews, providing recommendations throughout the year; (iii) collaborated with the UNFPA Protection from Sexual Exploitation and Abuse and Sexual Harassment (PSEAH) Unit's Advisory Committee, providing inputs on the UNFPA Sexual Exploitation, Abuse, and Harassment Strategy and participating in webinars and presentations; (iv) participated in developing a sexual harassment investigations manual; (v) facilitated a victim-centric approach training with the Office of the Victims' Rights Advocate, UNICEF, and UNDP; and (vi) the OAIS Internal Audit Branch issued audit recommendations for implementation by UNFPA on PSEA.

(g) *Lessons learned from investigations.* As part of investigative activities conducted in 2024, OAIS advised specific UNFPA divisions, branches and country offices on measures to take for increased protection of the reputation, programming, funds, beneficiaries and staff members.

(h) *Participation in regional meetings and workshops.* At the invitation of regional offices, OAIS participated in regional meetings with a view to sharing lessons learned from audits and investigations and to disseminate information on its services.

X. Oversight, monitoring and coordination of audit and investigation activities

a. Internal monitoring, coordination, and consultation

94. The Oversight Advisory Committee (OAC) continued to oversee the work of OAIS in 2024 and advise the Executive Director in fulfilling her responsibilities for accountability, risk management, internal controls, financial management and reporting, and the fiduciary oversight process, including external audit matters, the internal audit, investigation and evaluation functions and ethics. In 2024, OAC provided advice to the OAIS Director on the: (a) the 2024 OAIS annual workplan and its implementation; (b) the OAIS budget and staffing; and (c) the OAIS annual report to the Executive Board. Consistent with previous years, OAC received all audit reports issued by OAIS in 2024.

95. The United Nations Board of Auditors coordinated with OAIS to maximize assurance coverage, avoid duplication of effort, and determine the extent of reliance it could place on the internal audit work of OAIS. In conducting its annual risk assessment as the basis for preparing its 2024 audit plan and schedules, OAIS coordinated with the Board of Auditors and took into consideration its planned activities and the results of external audit work. In 2024, OAIS implemented all but two audit recommendations previously issued to it by the Board of Auditors and regularly reported to the Oversight Compliance Monitoring Committee on progress made. Consistent with the practice in previous years, all audit reports issued in 2024 were shared with the Board of Auditors; and, through both formal and informal meetings, consultations were held on matters of mutual interest and significant issues arising from audit and investigation work.

96. As an observer member of the Oversight Compliance Monitoring Committee, OAIS periodically reviewed and validated the adequacy and timely implementation, by management, of all internal audit recommendations and, where appropriate, closed them. The attendance of the OAIS Director, in ex-officio capacity, at monthly meetings of the committee throughout 2024, enabled timely review of progress made by management in the implementation of internal audit recommendations and, where necessary, helped provide advice on how to implement recommendations efficiently and appropriately. Also, OAIS discharged its role of validating, for closure, actions taken by management to implement recommendations issued by the JIU in past reports.

b. External coordination and consultation

97. In 2024, OAIS continued its involvement in inter-agency activities and meetings on internal audit matters by participating in sharing of practices and experiences among the internal audit services of United Nations organizations, multilateral financial institutions, and other associated intergovernmental organizations, e.g., UN-RIAS and Representatives of Internal Audit Services (RIAS). OAIS hosted an in-person UN-RIAS workshop on common approaches and methodologies for Enterprise Risk Management audit and maturity assessments in June 2024.

98. Similarly, OAIS remained active in multiple inter-agency activities and meetings on investigation matters, including participation in meetings of the United Nations Representatives of Investigative Services (UN-RIS), UN RIS-convened working groups focused on specific investigative topics, meetings with international financial institutions and the Conference of International Investigators. OAIS also continued to actively participate in critical inter-agency activities regarding sexual exploitation and abuse, sexual harassment and digital forensics, including but not limited to leading the drafting of the *IASC Investigators' Manual: Investigation of Sexual Exploitation and Abuse with a Victim Centric Approach*.

XI. Other activities undertaken in 2024

99. OAIS undertook several initiatives to improve its visibility and services, and disseminate lessons learned from its audit and investigation activities:

- (a) Updated and formally issued a comprehensive OAIS audit manual and standard operating procedures. The improved audit procedures contained therein have greatly improved workflow efficiencies resulting in the timely issuance of audit reports;
- (b) Successfully launched a quarterly OAIS newsletter to keep the organization apprised of its activities and informed on developments in the OAIS professional service areas and other initiatives;
- (c) Launched an OAIS data management and analytics roadmap, which included the key initiatives of automated document compliance analysis, audit data extraction and querying (chatbot), and anomaly detection of system logs for potential investigation;
- (d) Held closed sessions with the Executive Board in February and May 2024 to present progress made in implementing its 2024 audit plan and key emerging risks and challenges from audits undertaken in 2024 and also participated in Executive Board Orientation 2024;
- (e) Contributed to the work of the UNFPA PSEAH Unit and inter-agency efforts to improve SEAH investigative practices across the sector;
- (f) Put in place key digital forensic capabilities, enabling remote forensic review of seized ICT assets, and started exploring use of artificial intelligence (AI) in investigations;
- (g) Participated as a panel member to conduct an external quality review of the Pan-American Health Organization's Investigations Office. The experience will serve OAIS well when the Investigation Branch undergoes its own external quality review in 2025; and
- (h) Conducted two investigations of International Monetary Fund (IMF) employees at the request of the IMF Office of Internal Investigation, demonstrating trust in OAIS investigators.

XII. Overview of the 2025 OAIS annual workplans

A. Internal audit workplan

100. OAIS continued to improve on its audit risk assessment methodology as a basis for the preparation of the 2025 annual and the four-year rolling audit plans by: (a) defining the audit universe and disaggregating it into ‘auditable entities’, i.e., business processes and the organizational units that deliver them; (b) identifying and measuring risk factors that affect the auditable entities; (c) prioritizing the outcome using a risk rating based on impact and likelihood using four quartiles of risk levels (i.e., high, medium-high, medium-low, and low); (d) taking account of results of external audits and audits/assurance undertaken by business units within the organization, including an evaluation of trends in investigation cases filed and completed; (e) considering the assurance needs of stakeholders and decisions of the Executive Board; and, in particular, (f) refining the quantitative indicators used in the risk assessment to leverage enhanced data sources in Quantum.

101. An updated four-year rolling internal audit workplan for 2025-2028 formed the basis for the 2025 internal audit workplan, which comprises 33 engagements – 7 business process audits (five high risk, two medium risk); one a regional office audit (medium-low risk); and 25 country office audits (six high risk, seven medium-high risk, six medium-low risk and six low risk).

102. Additionally, OAIS will, in the fourth quarter of 2025, prepare a capstone review report to identify common themes arising from country office audits that may require systemic solutions.

103. The mix of engagements in the 2025 plans (annual plan and four-year rolling plan) takes account of the requirement for OAIS to:

(a) Fulfil and achieve its current audit strategy, in line with senior management and stakeholder needs and Executive Board decisions to audit high-risk business units over a three-year cycle and medium-high and medium-low risk business units over a 7-to-10-year cycle. Low-risk business units will be covered through remote, hybrid and contiguous auditing, as appropriate. High-risk core business processes and ICT will be covered using tailored approaches; and

(b) Leverage the available staffing or human resources and financial allocation from the Institutional Budget for OAIS. For the first time in many years, OAIS has a near complete staff complement for its internal audit team following successful concerted efforts to recruit appropriate talent.

B. Investigation workplan

104. In 2025, the Investigation Branch of OAIS will focus its efforts on five priority areas of work and objectives to be achieved by 31 December 2025: (a) strategic case prioritization and reduction; (b) investigation process and practice enhancement (c) operationalization of the OAIS sexual misconduct investigative approach; (d) the development of a donor disclosure and engagement framework; and (e) commodity safeguarding partnership.

105. These five areas of work were carefully considered and selected based on the lessons learned and successes of OAIS investigative work in 2024. The objectives are based on the current caseload, staffing situation, UNFPA organizational priorities and strategic direction, and evolving practices and standards in international investigations. The areas of investigative work are:

(a) *Strategic case prioritization and reduction.* In 2024, OAIS made significant reductions in the backlog of cases, closing all remaining cases from 2017 and 2018, and 80 per cent of 2019 cases. Building on this result, in 2025, OAIS will target the closure of all remaining 2019, 2020 and 2021 cases by the end of the fourth quarter. In addition, and directly associated with this target, a secondary target will be to reduce the average investigation closure length beneath 12 months.

(b) *Investigation process and practice enhancement.* Building on the release of the OAIS Investigations Manual in 2024, the branch will refine or produce templates and establish new standard operating procedures relating to key areas or junctures of investigative work such as case intake, complaint acknowledgement, records access (including access to email records), subject notification of formal investigation, and closure notification and referral. In addition, OAIS will harness in 2025 the use of AI in its investigative work, notably the development of tools for intake, case analysis and pattern identification and prediction.

(c) *Operationalization of the OAIS sexual misconduct investigative approach.* In 2025, the OAIS Investigation Branch will develop multiple tools in support of its victim-centric approach. This will include a checklist, a concept-note and/or instruction note for use of AI in key victim-centric approach practices, such as continuous engagement with victims, identification of appropriate support services, rapid interview transcription, among others. Additionally, OAIS will work with the Office of the Victims' Rights Advocate in all-staff webinars or training sessions on the use of a trauma-informed approach in investigations. OAIS will also convene a sexual misconduct team amongst investigators to meet periodically, attend interagency fora and monitor applicable developments or practices in the broader PSEA community.

(d) *Donor disclosure and engagement framework.* As part of its efforts to ensure transparency in UNFPA operations, OAIS will develop a donor disclosure and engagement framework in 2025. Specifically, OAIS will develop a framework that proposes case disclosure and update modalities (such as quarterly or bi-annual meetings with groups of donors) that reduce work conducted on individual donor case updates while fulfilling the disclosure needs of donors.

(e) *Commodity safeguarding partnership.* Delivery of UNFPA programme supplies and sexual and reproductive health commodities remains a central aspect of UNFPA programming. OAIS experience in 2024 working and consulting with the UNFPA last mile assurance team, country offices, suppliers and vendors, private specialized compliance-focused companies showed that safeguarding UNFPA commodities is best achieved through multiple partners working together. Accordingly, OAIS will continue to both build a stronger and more detailed understanding of how commodity safeguards fail and define how the integrity of UNFPA procurement and distribution of commodities is best achieved. Specific targets will include (i) contracting of the specialized entity for health commodity assurance reviews by the end of the second quarter; (ii) drafting of the standard operating procedures on jurisdictional responsibility by the end of the third quarter; and (iii) convening of a multi-stakeholder workshop focused on understanding and finding solutions to commodity safeguarding challenges.

XIII. Way forward

106. OAIS remains committed to leveraging data science to improve oversight activities. By utilizing advanced analytics, AI, and data management techniques, OAIS aims to enhance the precision, scope, and efficiency of its audits and investigations, while supporting the mandate of UNFPA.

107. The office will continue streamlining audit and advisory services to build on 2024 successes where the timeliness of audit reports improved tremendously, with the issuance of a record 29 reports.

108. OAIS will conduct a midterm internal quality assessment of the internal audit function, which will also serve as a gap analysis to determine where OAIS stands with respect to the recently launched IIA Global Internal Audit Standards and invest in emerging tools and training to retool for implementation of the new standards.

109. The Office will undertake a review of the existing OAIS charter, with a view to updating it for changes brought about by the new Global Internal Audit Standards.

110. OAIS will continue participating in regional meetings, as well as new staff and Executive Board member inductions, sharing common and recurring issues and lessons learned, and engaging in inter-agency activities and meetings to share practices and experiences.

111. In view of the specialized and mandatory nature of continuing professional education requirements for its staff, OAIS will establish standard operating procedures within the larger corporate human resources training policy context to formalize training requirements.

112. OAIS will seek to finalize outstanding recruitments within the Investigation Branch in 2025, as well as redefine consultant and specialized vendor needs, notably as the staffing complement is finalized. In relation to this and in relation to the ever-increasing number of work products requiring review at OAIS management level, the office will ensure that posts and consultancies related to quality assurance services are encumbered.

113. The office will continue to refine its triage and streamlining of incoming cases, as well as implement criteria-based strategy for the closure of legacy matters. This will involve the efforts described above with a view to preventing any future build-up of backlog cases.

114. OAIIS thanks the Executive Board, the UNFPA Executive Director, senior management and staff who assisted and cooperated with it throughout 2024. OAIIS also extends its thanks to the OAC for its continuing support.

115. Through its responses to audit and investigation reports and advice, as well as in decisions made to enhance the independence of OAIIS, UNFPA management continued to demonstrate, in 2024, its commitment to increasing the effectiveness of the governance, risk management and control processes at UNFPA.
