



**Executive Board of the  
United Nations Development  
Programme, the United Nations  
Population Fund and the  
United Nations Office for  
Project Services**

Distr.: General  
27 March 2025

Original: English

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**Annual session 2025**

2 to 6 June 2025, New York

Item 3 of the provisional agenda

**Internal audit and investigation**

**United Nations Office for Project Services: Annual report of  
the Internal Audit and Investigations Group on internal audit  
and investigation activities in 2024**

*Summary*

The Internal Audit and Investigations Group of UNOPS submits to the Executive Board its annual report on internal audit and investigation activities for the period 1 January – 31 December 2024.

As requested by the Board in its decision 2015/13 concerning internal audit activities, this report includes: (a) an opinion, based on the scope of work undertaken, on the adequacy and effectiveness of the UNOPS framework of governance, risk management and control; (b) a concise summary of work and the criteria that support the opinion; (c) a statement of conformance with the internal audit standards being adhered to; and (d) a view on whether resourcing of the function is appropriate, sufficient and effectively deployed to achieve the desired internal audit and investigation coverage.

*Elements of a decision*

The Executive Board may wish to:

- (a) *Take note* of the annual report of the Internal Audit and Investigations Group, 2024, and the management response thereto;
- (b) *Take note* of the significant progress made in the implementation of audit recommendations;
- (c) *Take note* of the opinion, based on the scope of work undertaken, on the adequacy and effectiveness of the UNOPS framework of governance, risk management and control (in line with Executive Board decision 2015/13); and
- (d) *Take note* of the annual report of the Audit Advisory Committee, 2024 (in line with Executive Board decision 2008/37).



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## I. Introduction

1. **Objective.** This report summarizes the activities conducted in 2024 by the UNOPS Internal Audit and Investigations Group. It provides an overall opinion on the adequacy and effectiveness of the UNOPS governance, risk management and control processes, based on the scope of work undertaken (decision 2015/13). Criteria used in forming this opinion included: the results of internal audits and project audits in 2024; the implementation of actions to address audit recommendations from this and prior years; continuous auditing and data analytics programmes; and conclusions from investigations.

2. **Opinion.** In the opinion of the Group, based on the scope of audit and investigation work in 2024, the adequacy and effectiveness of UNOPS governance, risk management and control were ‘partially satisfactory: some improvement needed’, meaning that they were established and functioning but needed some improvement. The Group engaged a third-party consulting firm to assess the readiness of the Group to implement the new Global Internal Audit Standards. Overall, the third party concluded that UNOPS’s internal audit function is ready to implement the new 2025 GIA Standards™ with some improvements required. Ninety-six per cent of recommendations made by the Group were acted upon, a further improvement on the already high rate achieved in 2023 of 95 per cent, demonstrating management’s continuous commitment to take appropriate and timely actions as and when improvements in governance, risk management and control were necessary. There were two open agreed actions older than 18 months as of 31 December 2024, one more than there had been on 31 December 2023.

3. **Audit output.** In 2024, the Group delivered 15 internal audit and advisory reports and 54 project audit reports. The Group issued 140 recommendations in 2024 (compared to 242 in 2023), of which 31 related to advisory engagements. The Group has made the implementation of recommendations mandatory.

4. **Investigation output.** In 2024, the Group received 370 complaints in total, a 17 per cent increase from 2023 (317 complaints). It opened a total of 167 cases and was able to complete 144 cases within an average of 5.8 months. The Group opened 12 cases on allegations involving senior managers (IICA3/P4 and above), a 33 per cent increase from 2023. Of the 370 complaints received, 41 complaints involved allegations of sexual misconduct, a 37 per cent increase on 2023 (30 complaints). It opened 24 cases and by the end of 2024 had closed 13 of these cases after an average duration of 60 days. Of the eleven cases still open at the end of the year, ten had been open for three months or less, with the remaining one, handled by an implementing partner, open for four months.

5. **Supporting strategic initiatives.** In 2024, the strategic reviews focussed on the structures of UNOPS multi-country offices and country offices and the partnership and liaison group, UNOPS fund management, and the maturity assessment of UNOPS information security systems. The investigations unit completed the first phase of a proactive forensic audit into the use by UNOPS of emergency procurement procedures, and identified potential misuse of these procedures, recommending 10 countries and 14 suppliers for further scrutiny. In its audit engagements, the Group focused on the key strategic and functional areas of culture, the achievement of desired project outcomes, sustainable infrastructure, and protection against sexual exploitation and abuse.

6. **Accountability framework.** IAIG was a critical member of the whistleblower overhaul steering committee and technical working group. Similarly, IAIG was a member of the accountability framework working group and the accountability senior advisory group. The pillars of the UNOPS accountability framework and oversight policies that are internal to UNOPS comprise: the Internal Audit and Investigations Group; the Audit Advisory Committee; the Risk and Compliance Group; the Ethics Office; the regional offices; the Office of the General Counsel; the Appointment and Selections Panel; the Appointment and Selections Board; the quarterly business review of corporate performance; and UNOPS Executive Office directives and instructions. The external pillars of the UNOPS accountability framework and oversight policies are: the General Assembly; the Secretary-General; the Executive Board; the United Nations Board of Auditors; the Joint Inspection Unit; the Advisory Committee on Administrative and Budgetary Questions; and the Fifth Committee of the General Assembly.

7. **Policy framework.** UNOPS continues to operationalize its governance, risk and compliance framework, simplifying its internal policy instruments and improving their alignment with processes. In 2024 it issued one executive office directive and four operational instructions. The policy improvements encompassed: an anti-bribery and anti-corruption policy, a statement of investment principles, submissions and reviews by the Contracts and Property Committee, procurement procedures, and contracts for works.

## II. Mandate

8. The mandate, scope, responsibility, accountability and standards of the Internal Audit and Investigations Group are defined by the Internal Audit and Investigations Charter pursuant to operational directive OD.ED.2022.01. Under the UNOPS governance, risk and compliance framework, the Group assumes the role as the third line of defence. The mandate and functions for internal audit and investigations within UNOPS are approved by the Executive Director in UNOPS financial regulations and rules pursuant to directive EOD.ED.2017.04.

9. The Director of the Group reports to the Executive Director of UNOPS, supporting the accountability function. The Group provides UNOPS with independent and impartial assurance, advice and consulting services to improve UNOPS operations, and assists UNOPS in accomplishing its objectives by bringing a systematic, disciplined approach to evaluating and enhancing the effectiveness of its risk management, control and governance processes. It also assists in protecting the integrity and reputation of the organization.

10. The Group continued to interact with the UNOPS Audit Advisory Committee in 2024. In accordance with decision 2008/37, the annual report of the Audit Advisory Committee for 2024 is attached to this report as annex VII.

11. The Group confirms its organizational independence. In 2024, the Group was free from interference in determining its audit and investigation scope, planning, performing its work, and communicating its results. The Director of the Group had free and unrestricted access to the Executive Board and the Audit Advisory Committee.

## III. Opinion

12. Management is responsible for maintaining the adequacy and effectiveness of UNOPS governance, risk management and control. The Internal Audit and Investigations Group is responsible for independently assessing the adequacy and effectiveness of the framework.

13. **Basis of opinion.** The Group conducted the assessment in accordance with the professional practices framework of the Institute of Internal Auditors and the uniform principles and guidelines for investigations developed and endorsed by the Conference for International Investigators. The Group believes that the evidence obtained is sufficient and appropriate to provide a basis for the opinion.

14. **Exclusions.** There are no exclusions.

15. **Scope limitations.** There are no scope limitations.

16. **Overall opinion.** The opinion of the Group is that the adequacy and effectiveness of UNOPS governance, risk management and control processes were 'partially satisfactory: some improvement needed'. Issues identified do not significantly affect the achievement of UNOPS objectives.

## IV. Summary of work and criteria for the opinion

17. The overall opinion reached by the Internal Audit and Investigations Group is based on the following evidence: (a) the development and implementation of the 2024 risk-based audit plan approved by the Executive Director; (b) individual audit engagement results and ratings;<sup>1</sup> (c) the continuous auditing and data analytics programme; (d) findings from investigations; (e)

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<sup>1</sup> Audit engagements included assurance audits, advisory reviews, internal audits and financial audits of projects.

the number of audit recommendations issued; and (f) the implementation status of audit recommendations as at the end of the calendar year.

**Table 1. Distribution of audit ratings for 2023 and 2024**

Year	2024				2023			
Report ratings	Internal audits <sup>2</sup>	Project audits <sup>3</sup>	Weighted report ratings <sup>4</sup>	Percentage of total	Internal audits	Project audits	Weighted report ratings	Percentage of total
Satisfactory	6	87	48.0	88%	3	61	33.5	83%
Partially satisfactory: some improvement needed	1	4	3.0	5%	1	7	4.5	11%
Partially satisfactory: major improvement needed	1	0	1.0	2%	0	3	1.5	4%
Unsatisfactory	0	5	2.5	5%	0	2	1.0	2%
<b>Total</b>	<b>8</b>	<b>96</b>	<b>54.5</b>	<b>100%</b>	<b>4</b>	<b>73</b>	<b>40.5</b>	<b>100%</b>

18. The Group relies on management to proactively identify and communicate known instances of materialized risks, potential control failures, irregularities, or regulatory non-compliance that could be material to the control environment.

19. The quantitative and qualitative data below were considered in forming the overall opinion for 2024:

- (a) For project financial audits in 2024, four project audit reports were issued with a qualified opinion (two in 2023);
- (b) For project internal audit reports, the accounting impact of audit observations was \$1,778,593 (\$1,355,821 in 2023);
- (c) No payments to sanctioned vendors were substantiated in either 2024 or 2023;
- (d) No duplicate payments were substantiated in 2024 (\$22,818 in 2023);
- (e) The implementation rate of internal audit recommendations, which was 96 per cent at the end of 2024, indicates that UNOPS took effective and timely action to address deficiencies identified in audits (95 per cent in 2023);
- (f) There were two long-outstanding audit recommendations issued more than 18 months before 31 December 2024 (one in 2023); and
- (g) Fewer recommendations were issued in 2024 than in 2023 (140 recommendations in 2024, down from 242 in 2023).

<sup>2</sup> In collating audit conclusions, the Society for Worldwide Interbank Financial Telecommunication ('SWIFT') security assessment report (which confirmed compliance with the SWIFT mandatory controls) and the two investment confirmation reports (with confirmed and reconciled balances) were considered 'satisfactory'.

<sup>3</sup> The financial audit report and internal audit report of the same project are counted as two project audits in this table. For the purpose of the current calculation, a project financial audit with an unqualified opinion is considered 'satisfactory', while a project financial audit with a qualified opinion is considered 'unsatisfactory'.

<sup>4</sup> Project audits may not fully represent the governance, risk and compliance aspects of UNOPS, as their scope is different from internal audits of country offices. Nevertheless, they provide an indication of UNOPS governance, risk and compliance. The Group estimates that the results of the project audits give a 50 per cent assurance concerning this area.

## V. Conformance to internal audit standards and investigation principles

20. The Internal Audit and Investigations Group conducts its internal audit work in accordance with the international standards for the professional practice of internal auditing of the Institute of Internal Auditors, which were adopted for use by Representatives of the Internal Audit Services of the United Nations Organizations in June 2002.

21. The Group conducts investigations in accordance with the Uniform Guidelines for Investigations adopted by the Conference of International Investigators in April 2003.

22. The Group maintains an internal quality-assurance and improvement programme that includes engagement-level quality assurance, ongoing self-assessments, and an external quality assessment of the internal audit function every five years. The most recent external assessment was completed in 2021, and the Group received the top rating, 'general conformance'. The Group further engaged a third-party consulting firm in 2024 to assess the Group's readiness to implement the new Global Internal Audit Standards and received the second highest rating 'significant alignment achieved'.<sup>5</sup>

23. In 2020 the investigations team underwent an external quality assessment, which confirmed its conformity with its legal framework and generally accepted standards for investigations in international organizations.

## VI. Resource allocation and deployment

24. In 2024, the Internal Audit and Investigations Group continued to allocate its budget in line with the recommendations of the assessment of the independence of the Group, and with decision 2022/13.

25. During 2024, the Internal Audit section consisted of one audit manager (ICS<sup>6</sup> 12: P5), two internal auditors (ICS 11: P4), four audit specialists (ICS 10: P3), two audit specialists, one with project management expertise, and the other with infrastructure expertise (ICS 10: P3), a data analytics specialist (ICS 10: P3), and a senior data analytics assistant (ICS 05: LICA 5).<sup>7</sup> The position of audit manager has been vacant since May 2022; the most recent recruitment did not yield a successful outcome.

26. The Investigations section was composed of one manager (ICS 12: P5), three senior investigators (one ICS 11: P4, and two ICS 11: IICA-3),<sup>8</sup> four investigators (three ICS 10: P3, and one ICS 09: P2), two investigators for intake of complaints (ICS 10: IICA-2), one investigations senior analyst for stakeholder reporting (ICS 09: IICA-1), one forensic auditor (ICS 10: IICA-2) and two senior investigations assistants (ICS 05: G5). One senior administration assistant (ICS 05: G5) was shared between the two sections. The Director (D1) provided direction and support.

27. The total budget for the Group in 2024 was \$6.821 million. No budget increase has been requested since 2022.

28. The Group has continued to focus on improving the efficiency and effectiveness of its structure. For 2025, the Group has opted for an internal reallocation between budget lines to replace the two investigators for intake of complaints on IICA-2 contracts with one new position on a P3 contract. The position of senior data analytics assistant will be abolished from 2025, and the Group's data analytics specialist will be supported on a request basis by retainers familiar with the UNOPS IT environment. The savings arising from these changes has enabled the Group to finance the technical expertise required for two important reviews planned for 2025, namely the external evaluation of the UNOPS Process Innovation and

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<sup>5</sup> Significant alignment achieved: The function is largely in alignment with updated Standards. Therefore, there are still minor adjustments and refinements needed to achieve full alignment.

<sup>6</sup> ICS: International Civil Service

<sup>7</sup> LICA: Local individual contractor agreement

<sup>8</sup> IICA: International individual contractor agreement

Digitalization Programme, and the second interim review of the status of implementation of the remaining recommendations from the Comprehensive Response Plan. On a temporary basis and for 2025 only, the Group decided to support UNOPS by decreasing its budget by \$150,000 to \$6,671,000.

29. The internal structure of the Group was supplemented by third-party professional firms, and subject-matter experts, including an information technology specialist, due-diligence experts and computer forensics specialists. The Group continued to retain a part-time editor for quality assurance of its engagement reports.

30. Project audits coordinated by the Group were financed directly from project funds.

31. The Group maintained its partnership with the Association of Certified Fraud Examiners and the Institute of Internal Auditors. All its auditors are members of the Institute and adhere to its international professional practices framework.

32. Auditors and investigators met their continuing professional education requirements and maintained their respective audit, accounting, fraud examiner and bar designations and memberships.

33. The Group supported training activities throughout 2024 to enable continued professional development. Topics included sustainable development goals, agile auditing, high-impact audit reporting, and internet research tools for fraud examiners.

## VII. Implementation of the 2024 risk-based workplan

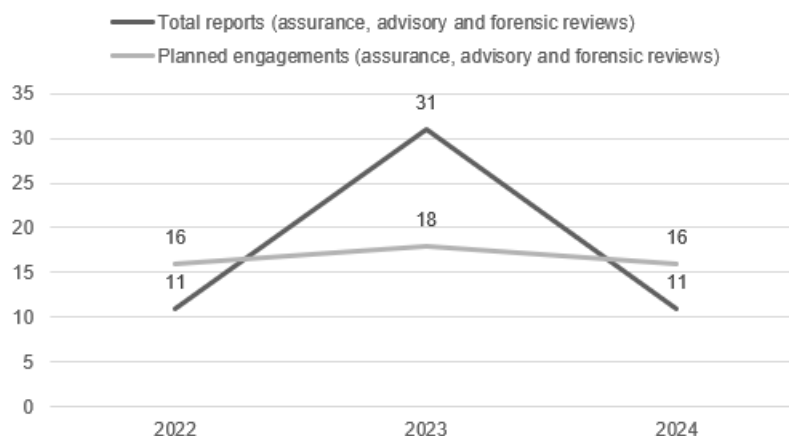
### Risk-based audit planning and completion of the annual workplan

34. The aim of the 2024 audit workplan was to evaluate and improve the effectiveness of risk management, governance processes and controls, and to provide the Executive Director with assurance that internal controls and procedures were functioning as intended.

35. In preparing its 2024 workplan, the Group ensured consistency between audit priorities, the UNOPS corporate strategy, and management goals. In 2024, with the support of the Group's audit specialists with project management and infrastructure expertise, technical assessments of infrastructure components on targeted projects were also conducted as part of the assurance audit engagements. The risk-based audit workplan acknowledged the geographical diversity of UNOPS global operations and included assurance audits and advisory engagements.

36. The Group delivered 15 audit assurance and advisory reports and 54 project audit reports.<sup>9</sup>

**Figure 1. Completion of risk-based internal audit plan, 2022-2024**



<sup>9</sup> The Group further completed the audit fieldwork and technical assessment of Amman Multi-Country Office (IAIG/14006). Since the audit reports were issued in 2025, they are not counted as an output for 2024.

37. During 2024, the Group continued to apply a hybrid approach, using both remote and on-site field missions when carrying out audit engagements.

#### Monitoring and coordination of activities

38. The Audit Advisory Committee continued to review the annual workplan. The Committee provided inputs to enhance the effectiveness of the internal audit and investigation functions. Its annual report for 2024 is included as annex 7.

39. To promote coordination and efficiency, the Group communicated its annual workplan, audit results and final audit reports to the United Nations Board of Auditors.

#### Audit reports and ratings

**Table 2. Distribution of audit ratings by engagement type and region, 2024**

Engagement area	Number of reports	Satisfactory (effective)	Partially satisfactory: some improvement needed	Partially satisfactory: major improvement needed	Unsatisfactory (ineffective)	Rating not applicable
Assurance and advisory reviews	15	5 <sup>a/</sup>	1	1	0	8
Project audit reports expressing a rating of internal controls and an opinion on the financial statement	42	37	2	0	3 <sup>c/</sup>	0
Project audit reports expressing an opinion on the financial statement only	8	7 <sup>b/</sup>	0	0	1	0
Project audit reports expressing a rating of internal controls only	4	4	0	0	0	0
<b>Total</b>	<b>69</b>	<b>53</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>8</b>

<sup>a/</sup> In collating audit conclusions, the SWIFT security assessment report (which confirmed compliance with mandatory SWIFT controls) and the two investment confirmation reports (with confirmed and reconciled balances) are considered 'satisfactory'.

<sup>b/</sup> In collating audit conclusions, a project financial audit with an unqualified opinion is considered 'satisfactory', while a project financial audit with a qualified opinion is considered 'unsatisfactory'.

<sup>c/</sup> Projects receiving differing ratings for internal audit and financial audit reports are categorized by the lower rating of the two in this table.

40. The Group issued 69 reports in 2024, compared to 77 in 2023. Of the 69 reports, 15 are assurance and advisory reviews, and the remaining 54 are project audits conducted by external firms under the supervision of the Group, mainly to fulfil project reporting requirements.

41. In each internal audit of UNOPS functions and projects, the Group assigns an overall audit rating of 'satisfactory' (effective), 'partially satisfactory: some improvement needed', 'partially satisfactory: major improvement needed', or 'unsatisfactory' (ineffective), based on its overall assessment of the relevant governance, risk management and control processes.<sup>10</sup>

<sup>10</sup> A detailed explanation of audit ratings can be found on the [UNOPS external website](#).



42. The Group upholds the United Nations ‘single audit principle’ in accordance with the UNOPS report on internal audit and oversight in 2007 (DP/2008/21). The Group provides technical support to project managers in meeting the audit requirements of their projects, and engages a pre-qualified third-party professional auditing firm to conduct those audits. The firm adheres to an approved terms of reference, and the audit reports prepared by the firm undergo quality assurance by the Group before being issued.

#### **Data analytics and technology-enabling initiatives**

43. The Group’s data analytics advanced on the analysis and implementation of the 2023 external review on its maturity assessment, which guided significant improvements across data strategy, process management, and model optimization. The team established a comprehensive data analytics strategy and streamlined process management systems, creating structured workflows and incident management systems to elevate operational efficiency.

44. The automated standard risk assessment was further enhanced with the creation of a third risk assessment model, which provides risk assessments at the project level. This model complements the two existing models, enhancing the capabilities to evaluate risks at both cost centre and function levels, resulting in a more comprehensive, multi-tiered approach to risk monitoring and mitigation.

45. The Group established an internal Artificial Intelligence/Digital/Forensic task force in 2024. The task force serves as a cornerstone in strengthening procurement integrity, fraud detection, and investigative efficiency. Its objectives include developing and implementing AI and digital forensic tools that are legally compliant, ethically sound, and strategically aligned. Moreover, the task force offers guidance, oversight and training for UNOPS stakeholders, empowering them to harness these advanced technologies responsibly and effectively. This initiative marks a pivotal step in the commitment of UNOPS to innovation, accountability, and safeguarding organizational integrity.

46. Throughout 2024, there was continued collaboration with internal and external stakeholders to strengthen data governance and availability, and continued support for audits and investigations to contribute to data-driven decision-making.

## **VIII. Implementation of audit recommendations**

47. The implementation rate of audit recommendations as of 31 December 2024 was 96 per cent, a slight increase from the implementation rate (95 per cent) recorded as of 31 December 2023. The implementation rate demonstrates continued management responsiveness and commitment. Table 3 shows the outcome for all audit recommendations issued from 2008 to 2024. Two audit recommendations issued in or prior to 2022 had yet to be closed.<sup>11</sup>

48. In 2024, the Internal Audit and Investigations Group closed 205 recommendations from audit reports issued between 2021 and 2024.<sup>12</sup>

49. In line with the international professional practices framework for internal auditing, the Group’s annual workplan included follow-up and monitoring activities to ensure that management actions were implemented effectively. In 2024, the Group continued to work with management to ensure that deliberate targets for implementation were established and monitored based on internal scorecards.

<sup>11</sup> IAIG/10005/05 - Internal audit report of the Peru Operations Centre (2020), IAIG/12004/14 - Internal audit report of UNOPS Myanmar Country Office (2022).

<sup>12</sup> This includes the closure of 13 recommendations from IAIG/12102 Crisis Management Review, and 21 recommendations from IAIG/13001 end to end review of UNOPS HR processes, both issued in 2023. These recommendations were closed on the basis of the evidence provided confirming the ongoing implementation progress. Considering these are advisory engagements, the Group decided to close the recommendations while actively monitoring the remaining implementation progress.

**Table 3. Status of implementation of audit recommendations as of 31 December 2024**

Number of audit recommendations	2008-2022	2023			2024			Total for 2008-2024
	Total	Internal audits & reviews	Project audits	Total	Internal audits and reviews	Project audits	Total	
Closed	5,291	91	60	151	1	25	26	5,468
<i>as a percentage</i>	100%	57%	74%	62%	1%	45%	19%	96%
Under implementation	2	70	21	91	83	31	114	207
<i>as a percentage</i>	0%	43%	26%	38%	99%	55%	81%	4%
Total	5,293	161	81	242	84	56	140	5,675

50. Table 4 depicts the ageing of outstanding recommendations as of 31 December 2024, with 55 per cent outstanding for less than 12 months, 44 per cent between 12 and 18 months, and 1 per cent for more than 18 months.

51. There were two long-outstanding audit recommendations of high priority issued more than 18 months before 31 December 2024.

**Table 4. Recommendation ageing based on original time frame as of 31 December 2024**

Priority	Total outstanding recommendations	< 12 months	12–18 months	>18 months
High	91	33	56	2
Medium	67	51	16	0
No priority given	49	30	19	0
<b>Total</b>	<b>207</b>	<b>114</b>	<b>91</b>	<b>2</b>

## IX. Key internal audit and advisory results

### Strategic and systemic issues identified

52. In its decision 2023/7, the Executive Board requested UNOPS to include a substantive analysis of findings and provide an overview of strategic and systemic issues in a dedicated section of this report.

53. In 2024, the Group identified the following recurring strategic issues related to accountability, governance, decision-making, communication and risk management:

- (a) **The review of UNOPS multi-country offices and country office structures and the partnership and liaison group** found that: (i) differing views are held on organization structures and no guidance is given as to which of the structures is the best practice; (ii) the current setup of multi-country offices and country offices does not efficiently and effectively support delivery of the UNOPS mandate and there is no clear accountability for failures to meet financial targets; (iii) no clear lines of accountability have been defined among the key roles in the multi-country office structures, such as director, head of programme, country managers and head of support services; and (iv) there is no defined process for opening, closing or establishing optimal resources in a liaison office.

(b) **The review of UNOPS fund management** identified that roles, responsibilities and associated risks of UNOPS with regard to fund management are often unclear, and there is a lack of a formalized framework or RACI matrix.<sup>13</sup>

(c) In its **maturity assessment of UNOPS information security systems**, the Group recommended that the medium-rated vulnerabilities identified in the critical web applications be prioritized in line with the information technology group's prioritization framework and resource availability, and should be implemented with support from the UNOPS management team.

(d) In the **internal controls maturity assessment**, the Group highlighted the following: (i) the need to map the control activities carried out by Integrated Practice Advice and Support (IPAS) as part of the integration of IPAS into practice groups to ensure that all the relevant controls are maintained or strengthened; (ii) deficiencies in the engagement acceptance process; and (iii) a significant number of procurement cases that were based on exceptions, with potential risks such as limiting competition or compromising transparency.

54. In 2024 the Group conducted a number of assurance engagements and identified recurring issues in the following areas:

(a) **Project management.** There are: (i) recurring instances where an agreement amendment was signed prior to submitting the engagement for review; (ii) deficiencies in the engagement development phase related to inadequate human resources and procurement approach, and site assessments; (iii) recurring instances of signed legal agreements with unrealistic budgets and timelines which have committed UNOPS to outputs that cannot be delivered within budget and on time.

(b) **Procurement.** There are: (i) deficiencies in contract management oversight, including retroactive amendments; and (ii) premature issuance of taking-over certificates due to supplier liquidity.

(c) **The management of small grants.**<sup>14</sup> In project audits, the Group noted recurring findings related to the management of small grants, including: (i) non-adherence to national steering committee procedures and record keeping; (ii) deficiencies in asset management; (iii) the release of further funds before the grantee has formally reported on progress and expenditures from a previous tranche; and (iv) even where previous expenditures are properly reported, the disbursement of funds when expenditures made from the previous tranche have yet to reach the minimum percentage stipulated in policy documents and agreements.

(d) The Group further identified the following recurring issues from project audits: (i) post-period adjustments to personnel costs; (ii) weaknesses in purchase order management (receipt of services, closure and reconciliation of purchase orders, cut-off errors); and (iii) ineligible project expenditures (payroll entitlements, personal travel costs).

55. The Group further identified systemic issues in the areas of finance, procurement, project management and human resources, as well as health, safety, social and environmental management (HSSE), that were addressed to the relevant policy owners:

(a) In its review of the **UNOPS finance and treasury processes**, the Group highlighted the need of improvements in: (i) expenditure forecasting of client projects, cash-flow forecasting, oversight and monitoring of write-offs and their provisions; (ii) financial due diligence process over suppliers; (iii) regulating manual payments processes and third parties payments; (iv) treasury structure and treasury policies; and (v) information security standards for externally provided services, and security requirements in contractual agreements;

<sup>13</sup> **RACI** refers to the different responsibility types within a project: Responsible, Accountable, Consulted, and Informed

<sup>14</sup> In January 2025, the Group issued a memorandum to the Director, UNOPS Global Portfolios, regarding the recurring issues associated with the Small Grant Programme, with the intention to inform and encourage management to take appropriate steps to rectify the deficiencies observed. The Group further stated that all open recommendations raised by the relevant audit reports would be managed at a programme level and would only be closed once implementation has been verified.

(c) **Procurement.** The Group noted the need to reassess the procurement-related waiver extension, conditions, timelines, and oversight mechanisms.

(d) **Project management.** The Group noted the need to improve the project closure process to ensure that they include requirements related to a level of completion of activities and/or handover of deliverables for projects that do not extend beyond the defect notification period, such as can occur in infrastructure design projects or direct implementation projects.

(e) **Human resources.** The Group noted the need to assess the effects of remote work (over 70 days) in the remuneration of personnel working remotely from their place of nationality or, when applicable, home leave.

(f) **Health, safety, social and environmental management.** The Group noted the need to: (i) revise the UNOPS HSSE instruction on incident management including the mandatory reporting of all occupational health and safety fatal incidents related to UNOPS operations; (ii) update the incident statistics and reflect these in the annual reports; (iii) review the classification of non-UNOPS incidents over the past 12 months.

56. Management actions on the above issues are being followed up by the Group.

#### Analysis of internal audit recommendations issued in 2024

57. In 2024, 84 internal audit recommendations were issued, compared to 161 in 2023. The decrease was mainly due to the lower number of reports issued.

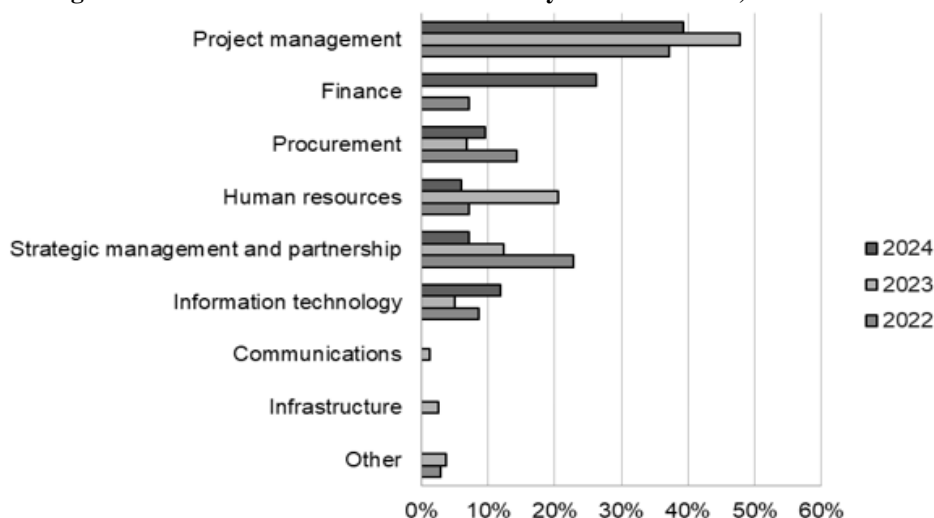
58. Of the 84 recommendations issued in 2024, 25 were considered to be of high importance, 28 of medium importance, while the remaining 31 had no priority allocated (advisory engagements), as shown in table 5. Low-priority recommendations were not included in the reports but are communicated during the field-work stage of the engagements.

**Table 5. Internal audit recommendations by level of importance**

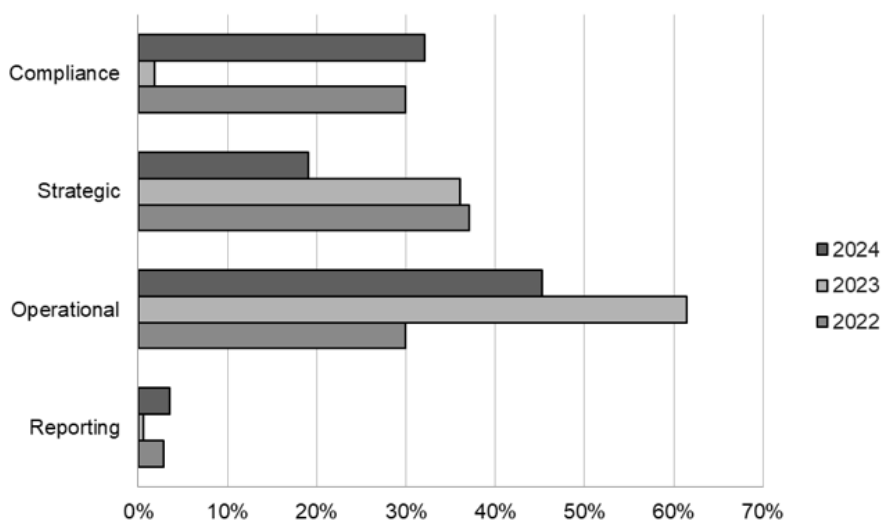
Level of importance	Number of recommendations			Percentage of total		
	2022	2023	2024	2022	2023	2024
High	31	99	25	44	62	30
Medium	33	7	28	47	4	33
Not applicable <sup>15</sup>	6	55	31	9	34	37
<b>Total</b>	<b>70</b>	<b>161</b>	<b>84</b>	<b>100</b>	<b>100</b>	<b>100</b>

59. The frequency of internal audit recommendations by functional area is displayed in figure 2. The top five areas pertained to project management (39 per cent), finance (26 per cent), information technology (12 per cent), procurement (10 per cent) and strategic management and partnerships (7 per cent). The distribution by functional area was driven by the audit scope as identified in the risk assessment conducted for each engagement. The considerable increase in the number of recommendations under finance is due to the review of the UNOPS finance process carried out in 2024.

<sup>15</sup> Where the level of importance is not assigned to an issued recommendation, for example in advisory engagements, it is classified as 'not applicable'.

**Figure 2. Internal audit recommendations by functional area, 2022-2024**

60. Figure 3 shows the distribution of recommendations by objective type. Recommendations on operational issues (45 per cent) were, as in 2023, the most common.

**Figure 3. Internal audit recommendations by objective, 2022-2024**

#### Analysis of project audit recommendations issued in 2024

61. In 2024, 56 project audit recommendations were issued, compared to 81 in 2023. The decrease was due to a higher percentage of project audit reports issued with a satisfactory rating.

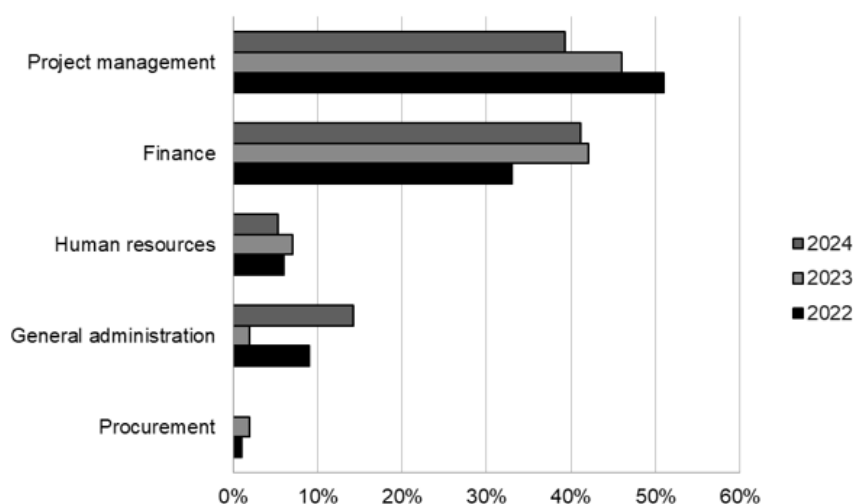
**Table 6. Project audit recommendations by level of importance, 2022-2024**

Level of importance	Number of recommendations			Percentage of total		
	2022	2023	2024	2022	2023	2024
High	6	14	13	7	17	23
Medium	79	67	43	93	83	77
<b>Total</b>	<b>85</b>	<b>81</b>	<b>56</b>	<b>100</b>	<b>100</b>	<b>100</b>

62. The 56 project audit recommendations issued in 2024 are analysed by frequency of occurrence in a functional area. As shown in figure 4, most pertained to finance (41 per cent) or project management (39 per cent).

63. For 2024, the accounting impact of project audit observations on internal control reports was \$1,778,593 (\$1,355,821 in 2023). There were four audit reports with a qualified opinion in 2024 (two in 2023).

**Figure 4. Project audit recommendations by functional area, 2022-2024**



#### Advisory

64. In 2024, the Group performed advisory engagements as follows:

(a) **Review of UNOPS multi-country office and country office structures and the partnership and liaison group** The Group conducted a review of the structure of UNOPS multi-country offices, country offices and liaison offices. The objectives of the review was to assess the extent to which: (i) the UNOPS vision for organization design is clearly defined, commonly understood and consistently applied across the regions; (ii) the organizational design function is structured, coordinated and strategically placed within the organization; (iii) the structure of multi-country and country offices (including size, geographical coverage, location and key resources) supports efficient and effective delivery of the UNOPS mandate; (iv) the roles, responsibilities and levels of mission critical positions are consistent, aligned to delegation of authority and have clear accountability; (v) the role of the partnerships and liaison group in supporting UNOPS partnership goals is clearly defined and there is common understanding across UNOPS; and (vi) UNOPS liaison offices are fit for purpose, and the set up, role and objectives are properly defined, and are efficient and effective in supporting the UNOPS strategic plan.

(b) **Maturity assessment of UNOPS information security.** The Group conducted a follow up review to assess whether the critical and high risk vulnerabilities identified in the previous information security assessment have been adequately remediated.

(c) **Review of UNOPS change management.** The objective of this engagement was to support the change and transformation team by providing high level advice on their activities, including planning, communications, involvement in key initiatives, success criteria and capacity building.

(d) **Review of the UNOPS fund management model.** The Group conducted a review of the UNOPS fund management model and the objectives were to: (i) assess whether there is a clear and consistent definition of fund management across UNOPS; (ii) assess whether the existing UNOPS fund management portfolio falls under the UNOPS mandate; (iii) clarify roles and responsibilities with regards to fund management; (iv) assess the accounting implications, if any, of the transformation of fund management into a hybrid model; and (v) assess opportunities and areas for improvement.

(e) The Group was a critical member of the whistleblower overhaul steering committee and technical working group. Similarly, the Group was a member of the accountability framework working group and the accountability senior advisory group.

(f) The Group provided ad hoc audit advisory services, including: (i) advice on audit clauses in project agreements; (ii) participation in key senior management meetings and various panels; and (iii) coordination with and support to the Joint Inspection Unit.

## X. Disclosure of internal audit reports

65. In accordance with decision 2012/18, the Internal Audit and Investigations Group makes its internal audit reports publicly available through the UNOPS audit disclosure website.<sup>16</sup> In exceptional cases, reports may be redacted or withheld in their entirety at the discretion of the Director of the Group.

66. While advisory reports are not published, the Group provides copies to senior management. Selected advisory reports were shared with all UNOPS personnel and uploaded on the intranet.

67. Public disclosure of audit reports continues to be positive, leading to enhanced transparency and accountability. The Group has published on the UNOPS public website the complete internal audit reports issued after 1 December 2012 (except those withheld, on an exceptional basis, for confidentiality reasons).

## XI. Investigations

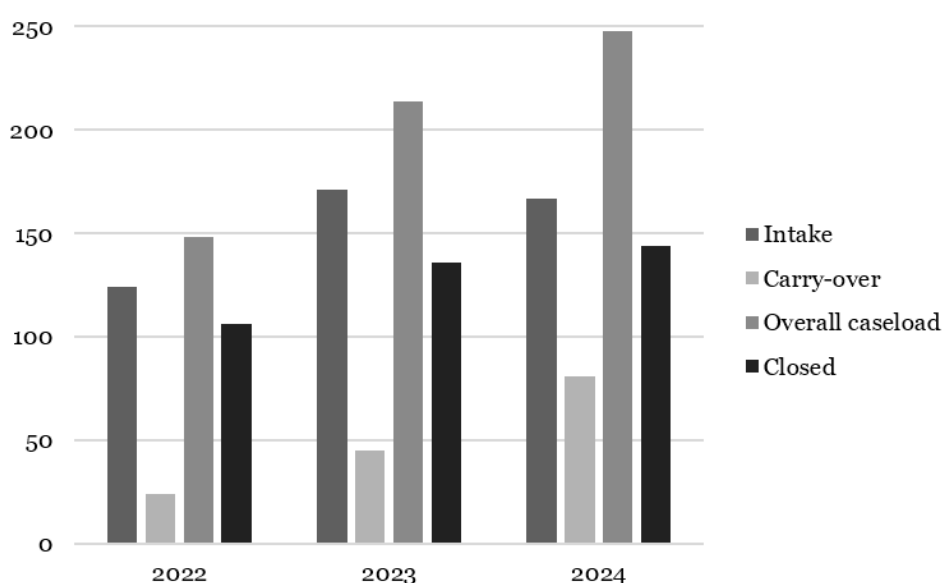
### A. Complaint intake

68. In 2024, the Group received 370 complaints, a 17 per cent increase on 2023 (317 complaints). It opened 167 cases based on those complaints (the remainder were found to be outside its mandate).

### B. Cases opened

69. In addition to the 167 cases opened in 2024, 81 were carried over from the previous year (figure 5).

Figure 5. Number of cases opened, 2022-2024

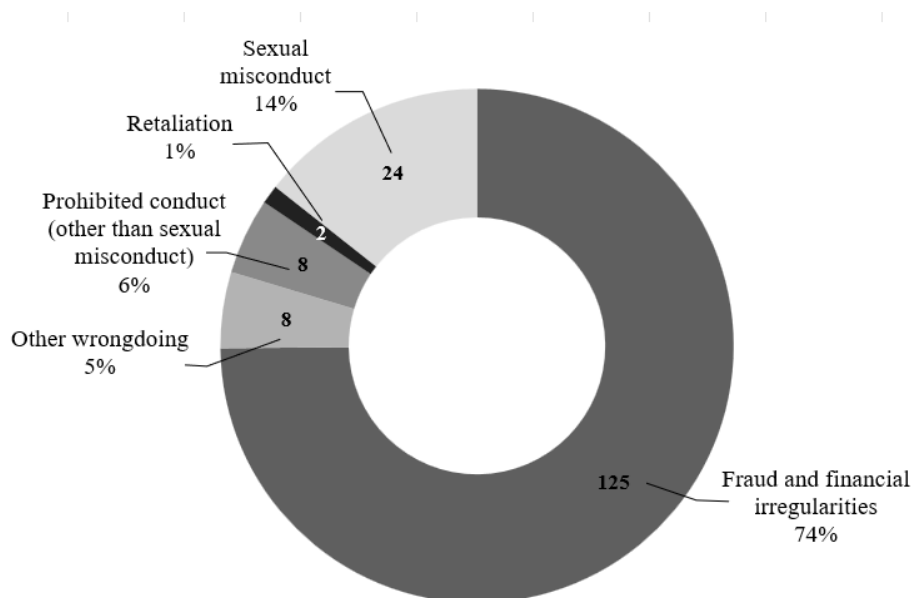


<sup>16</sup> <https://www.unops.org/about/governance/accountability/iaig/reports>

70. Of the 167 cases opened in 2024, 138 were referred by management or personnel, and four by other United Nations organizations. Fifteen were received from external parties (vendors and insurance providers) and six from anonymous complainants. Four were opened as a result of information identified in other investigations.

71. Of the cases opened in 2024, 125 involved alleged fraud or financial irregularities (procurement fraud, entitlement fraud, theft, embezzlement or misuse of resources); 24 involved allegations of sexual misconduct (sexual harassment, sexual assault or sexual exploitation and abuse); 8 involved allegations of prohibited conduct (harassment or abuse of authority); and two involved allegations of retaliation. The eight remaining cases involved other types of alleged misconduct or wrongdoing.

**Figure 6. Case intake by category in 2024**

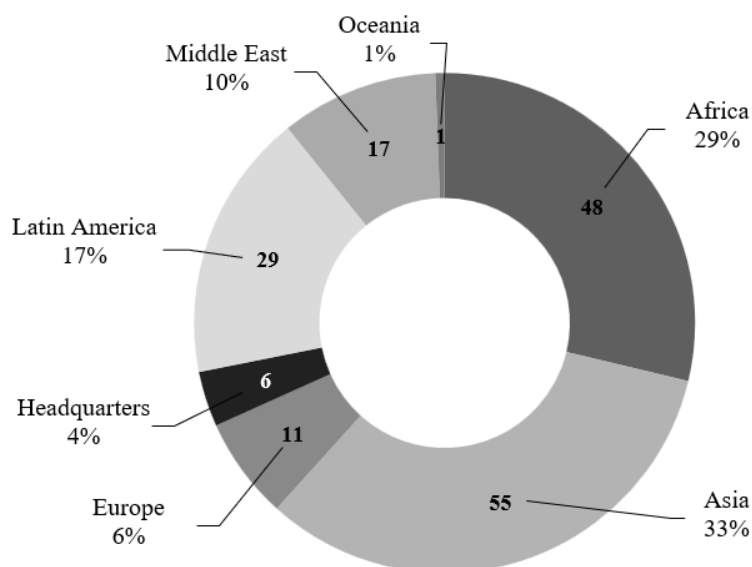


**Table 7. Case intake by category, 2022-2024**

Allegation category	Cases in 2022	Cases in 2023	Cases in 2024
Fraud and financial irregularities	99	124	125
Prohibited conduct	3	11	8
Sexual misconduct	12	26	24
Retaliation	0	2	2
Other misconduct/wrongdoing	10	8	8
<b>Total</b>	<b>124</b>	<b>171</b>	<b>167</b>

72. Asia was the region from which the Group opened the most cases in 2024 (55), followed by Africa (48), Latin America (29), the Middle East (17), Europe (11), headquarters (6), and Oceania (1).



**Figure 7. Geographic distribution of cases opened in 2024**

### C. Outcome of investigations

73. During the intake process, the Group first assesses whether the matter falls within its investigative mandate, which is to investigate allegations of misconduct by UNOPS personnel and allegations of proscribed practices by contracted third parties.

74. Next, the Group conducts an initial review, collecting and preserving basic evidence to determine whether an investigation is warranted. Depending on the sufficiency of evidence and the seriousness of the allegations, it may conduct an investigation.

75. If an allegation against a UNOPS personnel member is substantiated, the Group refers the case to the Human Resources Legal Officer for disciplinary action, in accordance with operational instruction OI.IAIG.2023.01. If an allegation involves a UNOPS vendor, the matter is referred to the vendor review committee, pursuant to operational instruction OI.PG.2021.02. Retaliation cases are referred to the Ethics Office, under operational instruction OI.Ethics.2022.01.

76. In 2024, the Group closed 144 cases.

**Table 8. Investigation cases handled in 2024**

Status of cases	Number of cases
Carry-over as of 1 January 2024	81
Intake during the year	167
<b>Total cases during handled during the year</b>	<b>248</b>
Closed during the year	144
Cases ongoing as of 31 December 2024	<b>104</b>

77. Of the 144 cases that the Group closed in 2024, 82 (57 per cent) were substantiated. In 56 cases, the Group concluded that allegations were not substantiated. In the remaining six cases, the Group concluded that the allegations were outside its mandate.

*Substantiated cases*

78. The 82 substantiated cases (see annex 6) involved 33 personnel members, 3 external candidates, 4 implementing partners and 75 vendors. The Group referred the personnel members and the external candidates to the Human Resources Legal Officer for appropriate action, and the vendors to the vendor review committee. The majority of the cases where misconduct was found involved fraud or financial irregularities (70 cases).

**Table 9. Outcome of investigation cases in 2024**

Outcome	Count
<b>Cases not substantiated</b>	
After initial review	17
After investigation	39
<b>Subtotal</b>	<b>56</b>
<b>Cases outside the mandate of the Group</b>	<b>6</b>
<b>Cases substantiated</b>	<b>82</b>
<b>Total</b>	<b>144</b>

*Action taken in cases of misconduct*

79. The Group referred 36 individuals to the Human Resources Legal Officer in 2024:

- (a) The contract of one individual was terminated; and
- (b) The cases for 35 individuals were pending with the Human Resources Legal Officer at the end of 2024.

*Action taken in cases of misconduct (prior years)*

80. UNOPS addressed matters against 21 individuals whose cases originated prior to 2024. Fourteen were terminated, three were demoted and three were issued a written censure. A letter was placed in the file of one individual who separated from UNOPS before the disciplinary action, stating that the person would have been terminated had they remained with the organization.

*Vendor sanctions*

81. In 2024 the Group referred 45 cases involving 75 vendors and 58 company principals to the vendor review committee. The committee took action in 14 of the cases.<sup>17</sup> As a result, UNOPS:

- (a) Debarred one vendor and two principals for one year;
- (b) Debarred one vendor and one company principal for three years;
- (c) Debarred one vendor and one company principal for six years;
- (d) Debarred one vendor and three company principals for seven years; and
- (e) Issued caution letters to 17 vendors.

82. In addition, the committee took action in seven cases that originated prior to 2024:

- (a) Four vendors and four company principals were debarred for three years;
- (b) Four vendors and four company principals were debarred for seven years; and
- (c) One vendor and one company principal received a letter of censure.

83. In total, UNOPS has sanctioned 347 vendors since 2010, based on the Group's findings. The sanctions are shared with other organizations on the United Nations Global Marketplace.

<sup>17</sup> The remaining 31 cases were pending with the vendor review committee at the end of 2024.

*Financial loss*

84. In 2024, UNOPS recovered a financial loss of USD 129,708 which had been identified by the Group during an investigation in 2023.

**D. Strengthening the investigative capacity**

85. In 2024, the investigations section of the Group comprised ten professionals supported by two investigative assistants. To address the caseload, the Group brought in external consultant investigators and engaged the services of several international investigative firms and forensic audit firms through long-term agreements.

86. In 2024, the Group established a Forensic Auditor position within the Investigation Unit to optimize resource utilization and minimize reliance on external forensic audit firms. The Forensic Auditor joined the Group at the end of the year.

87. The Group continues to focus its resources on serious cases and refers management issues to the appropriate offices. It works with the People and Culture Group and its Internal Grievance Unit for cases involving allegations of harassment, discrimination and abuse of authority.

88. As part of the UNOPS ‘Speak Up’ culture, the Group operates a confidential hotline for individuals wishing to report misconduct. This online portal consolidates the different reporting channels for all types of wrongdoing and guides complainants to provide the relevant information. The portal ensures that complaints are automatically referred to the relevant unit and increases the efficiency of the Group in reviewing complaints. In 2024, the Group participated in an ongoing working group that included the Ethics Office, Legal Group and Internal Grievances Unit, seeking to improve whistleblowing and reporting mechanisms at UNOPS.

89. A revised portal hub is being launched in the first quarter of 2025 to provide easier access to information about whistleblowing and internal justice processes, support resources, and secure reporting channels. A Navigation and Support Focal Point will also be introduced to provide support throughout the reporting process. Personnel will now have access to a “one-stop-shop” of information on all aspects of the UNOPS whistleblowing and internal justice processes, helping to empower them to select the best avenue for early resolution, support resources, or the reporting of misconduct.

**E. Sexual misconduct**

90. In 2024, the Group received 41 complaints involving allegations of sexual misconduct, a 37 per cent rise on 2023 (30 complaints). It opened 24 cases based on those complaints.<sup>18</sup>

91. Thirteen of the 24 opened cases related to sexual exploitation and abuse. The Group closed nine cases of sexual exploitation and abuse in 2024.<sup>19</sup> Six were found to be unsubstantiated. One case involving UNOPS personnel was substantiated and the personnel was referred for disciplinary action. Two cases involving personnel of implementing partners were substantiated; the respective implementing partners took appropriate actions. Seven cases were still under investigation at the end of the year. All cases of sexual exploitation and abuse were reported to the Office of the Secretary-General, which makes them publicly available.

92. The Group continued to work on four cases of sexual harassment carried over from 2023, and opened 11 new cases in 2024. It closed 11, six of which were found to be unsubstantiated.<sup>20</sup> Two were outside of the Group’s mandate and therefore were referred to the appropriate entity. Two cases involving UNOPS personnel were substantiated and the personnel were referred for disciplinary action. One case involving personnel of an

<sup>18</sup> Eight complaints related to allegations that were outside of the Group’s mandate. The Group therefore referred the complaints to the appropriate entity. Due to lack of credibility, the Group did not open a case for five complaints after initial review and four complaints were still under review at the end of 2024.

<sup>19</sup> Three of the closed cases were carried over from 2023.

<sup>20</sup> Four of the closed cases were carried over from 2023.

implementing partner was substantiated. The implementing partner took appropriate actions. Four cases were still under investigation at the end of the year.

93. The Group also closed one case carried over from 2023, involving allegations of sexual assault by a UNOPS personnel member. The allegations were substantiated and the personnel member was referred for disciplinary action.

94. In line with the UNOPS victim-centric approach, the Group prioritizes cases of sexual exploitation, abuse and harassment with specially trained investigators and shortened case durations. It ensures that appropriate victim support services are provided.

95. In 2024, the Group closed cases of sexual misconduct within an average of 3.3 months. Ten of the 11 cases still open at the end of the year had been open for less than three months. The remaining one, which was handled by an implementing partner, had been open for four months.

96. In 2024, the Group continued to provide support to senior management in relation to protection against sexual exploitation and abuse. It is a key member of the UNOPS working group on preventing sexual exploitation and abuse, supporting the implementation of many initiatives of the Secretary-General. For example, as the investigative body, it is responsible for reporting to the Office of the Secretary-General all allegations where there is sufficient information to identify an act of sexual exploitation or abuse by an identifiable perpetrator or against an identifiable victim. These include allegations related to both UNOPS personnel and personnel working for its implementing partners. Those statistics are made publicly available on a real-time basis.

97. The Group also conducted several trainings together with the UNOPS Corporate Coordinator for Protection from Sexual Exploitation, Abuse and Harassment. The Group trained focal points from across the globe on the prevention of sexual exploitation and abuse, focusing on reporting and investigating sexual misconduct allegations. The Group also conducted two briefings on the responsibilities of regional authorities regarding sexual misconduct investigations, together with the UNOPS Corporate Coordinator for Protection from Sexual Exploitation, Abuse and Harassment.

98. The Group helps management facilitate UNOPS participation in 'Clear Check', an inter-agency screening tool set up to prevent the hiring and rehiring of offenders. All personnel recruited by UNOPS are run through Clear Check, where the Group registers all current or former UNOPS personnel who were dismissed due to substantiated allegations of sexual harassment or sexual exploitation and abuse, or who left the organization with a pending investigation or disciplinary case involving such allegations. In 2024, the Group responded to five Clear Check verification requests from other United Nations entities.

99. The Group continues its coordination with other United Nations organizations on these issues through its membership of the United Nations Representatives of Investigative Services and by attending conferences organized by the Inter-Agency Standing Committee and the United Nations Chief Executives Board task force on addressing sexual harassment in the organizations of the United Nations system.

## **F. Professional network and cooperation**

100. During 2024, the Group remained an active member of Representatives of the Internal Audit Services of the United Nations Organizations and Multilateral Financial Institutions. In November 2024, the Group participated in the 24th Conference of International Investigators hosted by the Asian Development Bank and presented a case study on procurement fraud in emergency procurement procedures.

## **G. Advisory services**

101. The investigations section of the Group provided guidance and advice to UNOPS personnel and management on a wide range of matters regarding possible misconduct and wrongdoing, including alternative measures for resolution.

102. The section participated on an advisory basis in meetings held by the Vendor Review Committee, and by the UNOPS Prevention of Sexual Exploitation and Abuse Working Group.

*Donor agreements and reporting*

103. In 2024, there was a significant increase in the Group's participation in negotiating agreements with donors, and it responded to an increasing number of requests from donors for information about investigations and other integrity concerns. The Group participated in the drafting and review of 15 individual financing and legal agreements with donors and other parties, including international financial institutions.

104. With the addition of a dedicated stakeholders reporting position, the section regularly engaged with the investigative offices of its donors and other partners concerning specific cases of misconduct and wrongdoing. In 2024, it adhered to project agreements by reporting 90 new credible allegations of misconduct connected to the contributions of specific donors, and communicated the outcomes of 68 cases that were closed within the year. The section provided numerous briefings to donors.

## **H. Proactive measures to address fraud and corruption**

*Proactive forensic audit*

105. The Group completed the first phase of a proactive investigation into the use by UNOPS of emergency procurement procedures, which allow exceptions to formal methods of solicitation in emergency situations. In 2022, 31 per cent of total UNOPS procurement had been conducted using those procedures. Such use presents a risk to UNOPS operations, and the Group noted a rise in the number of investigations related to emergency procurements.

106. The first phase of the audit analysed trends and identified potential misuse of emergency procurement procedures through data analytics and process walkthroughs, recommending 10 countries and 14 suppliers for further scrutiny. The review flagged instances where the use of these procedures did not align with the urgency or scale of emergencies, highlighting risks to the reputation of UNOPS and procedural integrity. A second phase of the proactive investigation was commissioned and will be complete in the second half of 2025. The Group will investigate fraud and misuse or misapplication of emergency procurement procedures based on insights gained in the proactive investigation.

*Communications and training*

107. In 2024, the investigations section continued to deliver training on fraud and corruption to various UNOPS offices to proactively raise awareness on these issues. It continued its outreach efforts, delivering presentations to 414 personnel and 177 vendors and implementing partners in seven offices. Topics ranged from an overview of its work, to how to spot potential issues, and knowing where and how to report allegations.