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Items 11 and 12 of the provisional agenda*

**Report of the Office of Internal Oversight Services to
the Executive Board**

Report of the Ethics Office to the Executive Board

**Summaries of the report of the Office of Internal Oversight
Services to the Executive Board and the report of the Ethics
Office to the Executive Board**

Note by the secretariat

I. Introduction

1. In paragraph 6 of decision 2022/3, the Executive Board of the United Nations Human Settlements Programme (UN-Habitat) decided to include in the provisional agenda for its second session of 2022 an item on the report of the Office of Internal Oversight Services (OIOS) to the Executive Board (item 11) and an item on the report of the Ethics Office to the Executive Board (item 12).
2. In line with requests from Member States, the present document sets out two summaries, one of the report of OIOS on the activities of OIOS for the period from 1 July 2021 to 30 June 2022 (based on an advance draft version); and another of the report of the Secretary-General on the activities of the Ethics Office for the period from 1 January 2021 to 31 December 2021 (A/77/75).
3. The report of OIOS on the activities of OIOS for the period from 1 July 2021 to 30 June 2022 (part I) will be submitted to the General Assembly for its consideration at its seventy-seventh session and has therefore not yet been issued at the time of drafting of the present document. The report and its highlights of the activities undertaken and milestones reached by UN-Habitat will be presented to the Executive Board of UN-Habitat at its second session of 2022, to be held from 21 to 23 November 2022, under item 11 of the provisional agenda.
4. The report of the Secretary-General on the activities of the Ethics Office for the period from 1 January 2021 to 31 December 2021 can be accessed at the following link: <https://documents-dds-ny.un.org/doc/UNDOC/GEN/N22/336/20/PDF/N2233620.pdf?OpenElement>. The report and its highlights of the activities undertaken and milestones reached by the Ethics Office and the of the efforts of UN-Habitat in implementing the policies of the Ethics Office within UN-Habitat will be presented to the Executive Board at its second session of 2022, under item 12 of the provisional agenda.

* HSP/EB.2022/14.

II. Summary of the report of the Office of Internal Oversight Services on the activities of the Office of Internal Oversight Services (part I) for the period from 1 July 2021 to 30 June 2022

5. The mandate of OIOS stems from a call for a broad strengthening of oversight, anchored in General Assembly resolution 48/218B of 29 July 1994, which established OIOS as operationally independent under the authority of the Secretary-General in the conduct of its oversight duties. OIOS is mandated to assist the Secretary-General in fulfilling his or her oversight responsibilities through the internal audit, monitoring, inspection, evaluation and investigation services of the United Nations.

6. Since its establishment in 1994, OIOS has been guided by the mandates, including General Assembly resolution 48/218B, entrusted to it, and has provided the Secretary-General and the General Assembly with reliable, objective oversight information to help them to better understand the risks and challenges faced by the United Nations.

7. OIOS reports both to the General Assembly and to the Secretary-General. OIOS reports are submitted to the Secretary-General or the delegated programme manager. OIOS is mandated to report to the General Assembly biennially and may submit any other reports to the General Assembly as necessary.

8. The report of OIOS on the activities of OIOS for the period from 1 July 2021 to 30 June 2022 (part I) will be submitted to the General Assembly for its consideration at its seventy-seventh session, and has therefore not yet been issued. The report and its highlights of the activities undertaken and milestones reached by UN-Habitat will be presented to the Executive Board of UN-Habitat at its second session of 2022.

9. OIOS issued four internal audit reports (2021/067, 2021/079, 2021/082 and 2022/023), two investigation reports, and three investigation closure notices to UN-Habitat. Two of the audits were a joint audit of the United Nations Office at Nairobi, the United Nations Environment Programme and UN-Habitat.

10. The internal audit on the activities of the Land, Housing and Shelter Section (2021/079) concluded that UN-Habitat needed to ensure that indicators and targets in the results framework were linked to the work programme and budget, and that all project documents contained expected impacts and reported on project achievements.

11. The internal audit of the UN-Habitat Somalia Country Office (2022/023) identified the need to strengthen strategic management by developing a country programme document for enhancing efficiencies at the project level and establishing clear linkages to measure contributions towards implementing the work programme of UN-Habitat and the Sustainable Development Goals. It was emphasized that delays in project implementation needed to be addressed by strengthening the selection and management of implementing partners.

12. In case no. 0116/21, OIOS received a report that a contractor with UN-Habitat had engaged in medical insurance fraud. The OIOS investigation found that the contractor had submitted a medical claim for the reimbursement of \$8,182. The invoices indicated that, at the time the medical treatment was provided, the contractor was in a country different from the one where the medical provider was located. OIOS transmitted its findings to UN-Habitat and the Office of Legal Affairs for appropriate action.

III. Summary of the report of the Secretary-General on the activities of the Ethics Office for the period from 1 January 2021 to 31 December 2021

A. Introduction

13. As part of the United Nations Secretariat, UN-Habitat implements its ethics-related activities with the support of the Ethics Office. The Legal Unit currently serves as the focal point for all ethics-related activities at UN-Habitat. The Legal Unit carries out its functions with the support of the Office of the Executive Director, the Human Resources Liaison Office and the Conduct and Discipline Focal Point.

14. The report of the Secretary-General on the activities of the Ethics Office for the period from 1 January 2021 to 31 December 2021 (A/77/75), published on 3 May 2022, was submitted by the Secretary-General to the General Assembly pursuant to General Assembly resolution 60/254, on the

review of the efficiency of the administrative and financial functioning of the United Nations, in which the General Assembly requested the Secretary-General to report annually on the activities of the Ethics Office and the implementation of ethics policies.

15. The present section summarizes the report of the Secretary-General on the activities of the Ethics Office for the period from 1 January 2021 to 31 December 2021 and highlights the activities undertaken and milestones reached by the Ethics Office.

16. For reference purposes, section I of the report sets out an introduction; section II sets out the background and functions of the Ethics Office; section III details the recommendations for measures to strengthen the independence of the Ethics Office; section IV provides general information on the Ethics Office; Section V details the activities of the Ethics Office; Section VI outlines the background and function of the Ethics Panel of the United Nations and Ethics Network of Multilateral Organizations; and section VII sets out a conclusion and request for the General Assembly to approve its recommendations to strengthen the independence of the Ethics Office.

B. Recommendations for measures to strengthen the independence of the Ethics Office

17. Section III of the report contains recommendations for measures to strengthen the independence of the Ethics Office, as follows:

- (a) Importance of the independence of the ethics function;
- (b) The annual report should be made directly by the Ethics Office to the General Assembly;
- (c) The Independent Audit Advisory Committee should be given an enhanced role to oversee some of the work of the Ethics Office;
- (d) The grade of the Head of the Ethics Office should be raised to the D-2 level.

C. General information

18. Section IV of the report sets out general information relating to the operations of the Ethics Office. The section notes that the Ethics Office received 1,848 requests for services from 1 January to 31 December 2021. An increase was seen compared with the previous year with regard to the number of requests from the field, including from peacekeeping missions (6 per cent increase), special political missions (1 per cent increase) and resident coordinators (1 per cent increase). Approximately 29 per cent of the requests came from United Nations Headquarters, 38 per cent from other duty stations and 33 per cent from agencies, funds and programmes and third parties.

D. Activities of the Ethics Office

19. Section V of the report relates to the overall functions of the Ethics Office as summarized below:

- (a) **Advice and guidance.** The Ethics Office provides advice and guidance on matters relating to ethics. The number of requests for ethics advice increased from 691 in 2020 to 836 in 2021, representing a 21 per cent increase.
- (b) **Financial disclosure programme.** Established pursuant to regulations 1.2 (m) and (n) of the Staff Regulations and Rules of the United Nations (ST/SGB/2018/1), and the Secretary-General's bulletin on financial disclosure and declaration of interest statements (ST/SGB/2006/6), the financial disclosure programme is administered by the Ethics Office and assists staff members in identifying, mitigating and managing conflict-of-interest risks. During the 2021 filing cycle, 5,043 filers participated, representing a decrease of 861 compared with the 2020 cycle. The decrease in the number of filers resulted from the stricter application of guidelines provided by the Ethics Office in view of budget liquidity constraints faced by the Organization.
- (c) **Protection against retaliation.** The Ethics Office reviews requests for protection. The Secretary General's bulletin on protection against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations (ST/SGB/2017/2/Rev.1) encourages individuals to report fraud, corruption and other potential misconduct without fear of retaliation. In 2021, the Ethics Office received 128 enquiries under the policy.
- (d) **Training, education and outreach.** Given the restrictions related to the coronavirus disease (COVID-19) pandemic in 2021, the Ethics Office continued to conduct ethics training,

education and outreach remotely. The Ethics Office conducted 226 tailored ethics briefings, including 64 induction briefings for newly appointed staff at the level of Assistant Secretary-General and above, as well as for senior mission staff and resident coordinators.

(e) **Standard-setting and policy support.** The Ethics Office provided advice and support to other departments, offices and entities of the United Nations in developing or updating policies and standards pertaining to ethics and integrity. In 2021, the Ethics Office participated in or commented on 27 policy and standard-setting matters, which often involved multiple and ongoing consultations.

E. The Ethics Panel of the United Nations and the Ethics Network of Multilateral Organizations

20. Section VI of the report sets out the background and functions of the Ethics Panel of the United Nations and the Ethics Network of Multilateral Organizations. The Ethics Panel of the United Nations is mandated to create a unified set of ethical standards and policies and to consult on complex ethics matters that have system-wide implications, as set out in the Secretary-General's bulletins ST/SGB/2007/11 and ST/SGB/2007/11/Amend.1. Established in November 2007 and composed of the heads of the ethics offices of the Secretariat and of separately administered organs and programmes, the Panel is chaired by the Director of the Ethics Office. The Panel held eleven formal sessions in 2021.

21. The Ethics Network of Multilateral Organizations was established in 2010 to enable entities of the United Nations system, affiliated international organizations and international financial institutions to exchange information and good practices for professional development and benchmarking. Its annual meetings bring together senior professionals responsible for the ethics functions in its member organizations. The Ethics Office participated in the thirteenth meeting of the Network, held virtually in July 2021 (part I) and November 2021 (part II) owing to the COVID-19 pandemic, hosted by the European Central Bank and chaired by the Pan American Health Organization.

F. Conclusion

22. The report, together with its recommendations, is subject to approval by the General Assembly.

23. The report and its highlights of the activities undertaken and milestones reached by Ethics Office and of the efforts of UN-Habitat in implementing the policies of the Ethics Office within UN-Habitat will be presented to the Executive Board of UN-Habitat at its second session of 2022, to be held from 21 to 23 November 2022.
