Office of Internal Audit and Investigations (OIAI)

Item 11: Office of Internal Audit and Investigations 2019 annual report
Stephen Zimmermann, Director, OIAI

UNICEF Executive Board  Informal briefing – 18 August 2020
➢ Key component of the oversight framework
➢ Provide independent and objective audit and advisory services
➢ Conduct investigations in respect of allegations of misconduct and fraud
➢ OIAI Charter will be revised in 2021
28 audit reports (20 CO and 8 thematic), one Joint UN audit and two advisory reports
Country offices audited constituted 36% of UNICEF’s 2019 planned programme expenditures

16% ‘high-priority’ agreed actions

ZERO agreed actions older than 18 months
83% of 2018 agreed actions implemented

None of the reports received an ‘Adverse’ conclusion
FOCUS OF COUNTRY OFFICE AUDITS’ AGREED ACTIONS

Programme management
Human resources and ethics
Supply and logistics
Governance and accountability
Resource mobilization
Budget and cash management
Others

High priority
Medium priority

THEMATIC AUDITS AND ADVISORY

THEMATIC AUDITS

➢ IT and Cybersecurity (information security)
➢ Travel Management (efficiency and economy)
➢ Private Fundraising Partnerships (Relations with Natcoms)
➢ Results Reporting by Country Offices (reliability and integrity)
➢ Joint Audit of UN Delivering as One programme

ADVISORY

➢ Data Privacy (inventory, governance and awareness)
➢ Child Safeguarding (framework, workplan and partnerships)
In line with Executive Board decision 2015/11, and based on the scope of work undertaken in 2019, the UNICEF framework of governance, risk management and controls was generally adequate and effective.

BASIS FOR OPINION

- Independent risk-based workplanning and prioritization based on available resources
- 89% of the audit reports resulted in an overall satisfactory rating
- Excellent implementation rate of agreed actions
- Non-discovery of material deficiencies in the overall organization framework of governance, risk management and control.
OVERVIEW OF INVESTIGATIONS

498 investigations cases managed in 2019, representing a 120 per cent increase compared to 2018

<table>
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<tr>
<th>NEW CASES in 2019</th>
<th>CASES CLOSED in 2019</th>
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<tr>
<td>364 allegations received in 2019</td>
<td>287 cases closed (93 in 2018); with 209% increase in output</td>
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<td>104% increase over 2018, and 400% increase over 2017 and 2016</td>
<td>75% cases closed within 9 months</td>
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DISTRIBUTION OF 2019 CASE INTAKE

- Sexual Exploitation and Abuse, 8%
- Sexual Harassment, 10%
- Harassment and Abuse of Authority, 16%
- Inappropriate Staff conduct, 26%
- Fraud and Corruption, 39%
- Retaliation, 1%

DISPOSITION OF CLOSED CASES

- Advisory memorandum 1%
- Insufficient info to investigate 17%
- Insufficient info to investigate 17%
- Investigation report 10%
- Referral to another UNICEF office 38%
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OIAI received the top rating of “general conformance” with the International Standards for the Professional Practice of Internal Auditing and with the Institute of Internal Auditors’ Code of Ethics.
RESOURCES

HIGHLIGHTS

 ✓ Approved resources effectively deployed in 2019
 ✓ 49 approved posts in December 2019 (41 in 2018)
 ✓ Decentralization
 ✓ Implemented most approved staffing changes for Investigations Section
 ✓ Restructuring of Internal Audit staff and strategy but no growth in over a decade
 ✓ OIAI will submit resource plan to Board for 2021+

OIAI Organigram for 2021

Response to COVID-19
• Revised workplan with increased focus on emerging risks, and demand for advisory services and peer reviews
• Remote Auditing

Reorganize and decentralize Internal Audit, and seek increase in staffing to levels recommended by external review

Ramp up use of technology and data analytics

Emphasis on continuous risk planning, considering emerging risks

Proactive investigations and increased focus on fraud risk
Thank you.