The Office of Internal Audit and Investigations

- Key component of the UNICEF oversight framework
- Assists the Executive Director, senior managers and Executive Board in effectively discharging their responsibilities
- Undertakes independent and objective audits, investigations and advisory assignments across country offices, regional offices and headquarters locations, in accordance with OIAI Charter and risk-based work-plan
- Adds value to UNICEF operations and activities to help achieve the organization’s objectives efficiently, effectively and economically
- Helps management to address the risks of fraud and other misconduct and to strengthen the ethical environment
- Works closely with the Audit Advisory Committee and with UNICEF’s other internal and external oversight mechanisms
Annual assurance opinion for 2017

- Overall audit opinion gives reasonable assurance to stakeholders, based on the work performed, in accordance with Executive Board decision 2015/11

- In 2017, “in the opinion of OIAI, based on the scope of work undertaken, the adequacy and effectiveness of the UNICEF framework of governance, risk management and control were generally satisfactory”

- Although internal audits identified a number of areas where internal controls, governance and risk management practices required strengthening, OIAI was pleased to note that management had committed to address or was already addressing these areas
Annual assurance opinion criteria

- ‘Generally satisfactory’ audit opinion takes account of:
  - 30 audit and advisory reports issued in 2017
  - 70% of audits had satisfactory ratings (unqualified/moderately-qualified); none were rated adverse
  - Overall implementation rates for agreed actions remained satisfactory, with sustained improvement for oldest actions, although further action required to improve implementation rates for actions agreed in 2016
  - No fundamental flaws in governance, risk management or control identified by OIAI’s work in 2017

- In accordance with Executive Board decision 2017/10, also provides further detail supporting the opinion - in particular a narrative analysis of key issues and themes identified in 2017:
  - Risk management should be strengthened and should reflect the full range of key risks UNICEF faces
  - Quality of monitoring and assurance activities needs to improve further, including under HACT
  - The organization should continue developing a robust and consistent approach to data protection and privacy
  - UNICEF should make further progress with embedding and mainstreaming child protection and safeguarding
  - Fraud risk management should be given greater emphasis within UNICEF’s programmes and other activities
  - Good practices promoting collaboration and knowledge-sharing should be rolled out across the organization
Audit independence, quality and resourcing

- The Office is functionally independent and remained free during 2017 from management interference in determining its scope, performing its work, and reporting its results

- OIAI remains in general conformity with the *International Standards for the Professional Practice of Internal Auditing* and complies with the *Uniform Principles and Guidelines for Investigations*

- Approved internal auditing resources were generally appropriate and sufficient during 2017, and were effectively deployed to achieve the desired coverage in line with OIAI’s risk-based audit work-planning

- Five more investigators are currently being recruited under OMP 2018-2021, together with an increased investment in auditing technology; the need for further increases in the OIAI budget will be kept under consideration with developments in areas such as professional workplace violations
OIAI investigations in 2017

116 cases managed by OIAI during 2017 (including 42 carried over from prior years)
- The 74 new cases opened included 20 allegations of fraud by implementing partners, 11 other allegations of fraud or forgery, 6 allegations of sexual harassment and exploitation, and 1 complaint of whistle-blower retaliation which was referred to OIAI by the UNICEF Ethics Office

69 investigation cases closed during the year
- Included 19 cases of fraudulent misuse of programme funds by implementing partners, 11 cases of inappropriate staff conduct, and 10 cases of bribery, corruption or kickbacks
- 15 cases were referred to DHR for disciplinary action, 9 cases closed with action by the office/partner concerned, and 5 cases referred for action by a UNICEF office, another UN body or a local authority
- 34 allegations were not substantiated, whilst 5 staff members left UNICEF whilst under investigation
- Gross loss of $2,150,093 from 20 cases
- OIAI is working closely with management in the field and at HQ to help them manage the risk of fraud and other misconduct (including supporting the new anti-fraud strategy), and to provide support in areas such as preventing sexual exploitation and abuse
- As requested by Executive Board decision 2017/10, further detail on investigations closed during the year is provided in Annex 3 of the OIAI annual report 2017
OIAI’s strategic road-map

- OIAI is continuing to develop its capacity and capabilities to meet UNICEF’s assurance and integrity needs into 2018 and beyond:
  - Focusing the internal audit approach more closely on what really matters, looking at key risks to UNICEF achieving its objectives - including value for money, fraud risk, child protection and safeguarding, effective use of technology and innovation, and stronger programme management to deliver results for children.
  - Reviewing and streamlining office processes, speeding up the issuance of reports, with reporting targeted at what UNICEF managers and teams really need to know.
  - Purchasing and deploying oversight tools and technologies including data analytics and improved case management software – increasing OIAI’s effectiveness and efficiency.
  - Closer collaboration with the external auditors and with other assurance providers to maximize the impact of oversight spend and minimize disruption to UNICEF.
Thank You

For more information, please contact
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