

Financial report and audited financial statements

**For the year ended 31 December 2013 and
Report of the Board of Auditors**

IPSAS Financial Statements

Statement of Financial Position (Balance sheet)

Assets \$7.7 billion (2012: \$5.7 billion)

- Includes Cash, Investments, Receivables, Advances of cash assistance, Inventory

Liabilities \$3.7 billion (2012: \$2.6 billion)

- Includes Accounts Payable, Deferred Revenue, Funds held on behalf of third parties, Employee benefits

Net Assets \$4.1 billion (2012: \$3.1 billion)

IPSAS Financial Statements

Statement of Financial Performance (Income Statement)

Revenue \$4.9 billion (2012: \$3.9 billion)

- Includes Voluntary contributions, Greeting cards, Interest, Other

Expenses \$4.1 Billion (2012: \$3.6 billion)

- Includes Cash assistance, Programme supplies, Employee benefits, Depreciation, Other

Net Surplus \$0.8 billion (2012: \$0.3 billion)

Statement V – Budget to Actuals

	Final Budget (\$m)	Actuals (\$m)
Country programme RR	800	748
Country programme ORR	3,369	1,549
Emergency appeals	1,590	1,066
Inter-country programme	438	264
Institutional budget	504	461
PFP	132	114
Grand Total	6,856	4,224

Cash assistance and Programme supplies by Geographic Area

	Cash assistance (\$m)	Programme supplies (\$m)
Eastern and Southern Africa	408	237
Western and Central Africa	355	209
South Asia	86	40
East Asia and the Pacific	181	56
Middle East and North Africa	195	125
Latin America and Caribbean	68	15
Central and Eastern Europe and Commonwealth of Independent States	26	12
Transfers to other organizations and adjustments	11	-
Total	1,331	695

Report of the Board of Auditors

For the year ended 31 December 2013

Unqualified Audit Opinion

“In our opinion, the financial statements present fairly, in all material respects, the financial position of UNICEF as at 31 December 2013 and its financial performance and cash flows for the period then ended, in accordance with IPSAS”.

-UN Board of Auditors

Report of the Board of Auditors

Significant Observations / Recommendations for 2013 summarized in 2 categories:

- Monitoring of National Committees
- Programme management } Implementing Partners

National Committees

BOA Observations	UNICEF Response
High retention rates	UNICEF is collecting donor agreements for contributions greater than \$100k and analysing the costs of National Committees' operations to identify potential areas of efficiencies.
High reserves	UNICEF has ensured all NatComs now have reserve policies and reviewed non-statutory reserve levels at end of 2013, following up with NatComs whose reserves exceeded recommended levels.

Programme Management

BOA Observations	UNICEF Response
Inadequate guidance for CSO implementing partner selection.	Further guidance and tools for partnership mapping are being developed as part of the revised procedure on working with civil society organizations.
No global tracking system for HACT Assurance Activities	UNICEF is currently designing an electronic system to provide offices with support to plan and monitor capacity assessments and assurance activities related to cash transfers.
Insufficient capacity assessment and assurance activities on cash transfers	UNICEF has allocated funds for the 2014-17 period to strengthen the management of cash transfers.

Programme management

BOA Observations	UNICEF Response
Financial management capacity of some Implementing Partners inadequate.	Guidance and tools for financial management capacity development are a planned activity and output of the Global HACT Strategy work plan.
No oversight of Implementing Partner programme support and indirect costs.	UNICEF is assessing approaches to collecting cost category information related to cash transfers to implementing partners as this will help identify areas of inefficiencies. Guidance on project budget structure and formulation is also being considered.

Report of the Board of Auditors

Status of implementation of recommendations:

	2013		2012	
	#	%	#	%
Implemented	4	24%	23	88%
Under Implementation	13	76%	3	12%
Total	17	100%	26	100%

Thank You

Questions / Comments