Note on steps for achieving full public disclosure of internal audit reports

Introduction

1. This note was prepared in response to a request from the Bureau of the Executive Board for UNICEF to produce a paper outlining how, if requested to do so by the Executive Board, UNICEF intends to achieve full public disclosure of internal audit reports in 2012. The note includes a proposed timeline, proposed safeguards and an assessment of the impact of public disclosure on the content and utility of internal audit reports.

Proposed timeline

2. If the Executive Board decides on the public disclosure of internal audit reports during its 2012 annual session:

   a) UNICEF will establish, by 30 September 2012, a special ‘accountability and transparency’ section on its public website for use in publishing internal audit reports.

   b) The Office of Internal Audit (OIA) will develop, by 30 September 2012, internal public disclosure operating procedures that include detailed criteria for redacting or withholding reports.

   c) OIA will start to publicly disclose internal audit reports issued after 30 September 2012 by making them available on UNICEF’s public website 30 days after they are delivered to the Executive Director. This grace period is proposed to allow sufficient time for concerned Member States to review reports that relate to them and for OIA to deal with any comments they provide.

Proposed safeguards

3. If the Executive Board decides on the public disclosure of internal audit reports, UNICEF will implement the following safeguards:

   a) UNICEF will redact, or withhold in full, any internal audit report that has information which is deemed by the Executive Director to be confidential, including information that is particularly sensitive (relating inter alia to third parties or a country, government or administration); and information the disclosure of which could compromise a pending action, endanger the safety or security of any individual, or violate his or her rights or invade his or her privacy.
b) Before making disclosure of an internal audit report that contains findings related to a specific Member State, UNICEF will: provide a copy of the report to the concerned Member State, through that Member State’s Permanent Mission in New York, at the same time the report is delivered to the Executive Director; and invite that Member State to provide comments on the report within 15 days. UNICEF will consider any comments from the Member State and take action it believes is appropriate in response. This could include, if the Member State so agrees, publishing the Member State’s comments with the internal audit report when it makes disclosure of the report.

c) UNICEF will make clear to all stakeholders that the disclosure of internal audit reports will not constitute a waiver of the applicable privileges and immunities of the organisation, its officials and experts on mission, and its archives and documents. UNICEF will also request for the language of the Board’s decision on public disclosure to expressly preserve the relevant privileges and immunities, and will include similar language on UNICEF’s public website and in each internal audit report.

d) UNICEF will request the Executive Board to review, during its 2014 annual session, the operation of the decision on the public disclosure of internal audit reports. OIA will also start to include in its annual reports the titles of all internal audit reports issued during the year, together with information on significant issues related to the public disclosure of internal audit reports, for review by the Executive Board.

Assessment of the impact of public disclosure on the content and utility of internal audit reports

4. UNICEF has been disclosing internal audit reports to Member States since July 2009 and to specified approved non member states from September 2011. Given this experience, the additional disclosure to the public is not expected to significantly affect the content of internal audit reports and their utilization by UNICEF management.

5. OIA also has various safeguards for ensuring that it does not issue audit reports that are watered down or that are not fair, complete or objective. These safeguards are as follows:

a) OIA follows internationally recognized reporting standards, from the International Organization of Supreme Audit Institutions, which provide guidance on the form and contents of publicly disclosed audit reports. OIA also follows the International Standards for the Professional Practice of Internal Auditing from the Institute of Internal Auditors.

b) OIA obtains, reviews and appropriately includes management responses and corrective action plans in each of its final audit reports. This helps to ensure that audit reports are fair, complete and objective.

c) OIA rigorously uses its quality assurance review process to ensure that the content of its audit reports is easy to understand and is free from vagueness and ambiguity.
d) OIA provides copies of internal audit reports to the UNICEF Audit Advisory Committee and the United Nations Board of Auditors to ensure that both bodies are in a position to comment on shortcomings, if any, in OIA reports.

e) OIA uses its annual reports to annually confirm its organizational independence to the Executive Board.

6. The utilization of reports by Member States, donors and the public is expected to increase due to the unrestricted access that will be provided through public disclosure.