

Financial report and audited financial statements

**For the biennium ended 31 December 2011
and Report of the Board of Auditors**

Audited Financial Statements for 2010-2011 biennium

- Last biennial report
- Last UNSAS-based report
- Beginning 2012, report will be annual and IPSAS based

The Financial Report - Income

Income:

- Income for the biennium was \$7.4 billion
- This was a 11% increase over 2008-2009
 - Regular Resources decreased by 5% to \$2.0bn
 - Other Resources Regular increased by 9% to \$3.4bn
 - Other Resources Emergency increased by 42% to \$2.0bn

Sources of Income

	2010-11 US\$ bn	2008-09 US\$ bn
Government	4.3	4.0
Private sector/Non-gov't	2.3	1.9
Inter-org arrangements	0.7	0.5
Other income	0.1	0.2
Total Income	7.4	6.6

The Financial Report - Expenditure

Expenditures:

- Expenditures for the biennium were \$7.4 billion
- 17% increase over 2008-2009
 - 92% of expenditures were for Programmes
 - 8% were for Programme Support, Management & Administration and Security

Programme Assistance by Geographic Area

	'10-11 RR US\$m	'10-11 ORR US\$m	'10-11 ORE US\$m	'10-11 Total US\$m	'08-09 Total US\$m
Sub-Saharan Africa	915	1,499	854	3,268	2,695
Americas and Caribbean	55	215	294	564	266
Asia & Pacific	393	851	417	1,661	1,518
Middle East & North Africa	77	238	305	620	622
Central & Eastern Europe & CIS	52	121	16	189	169
Inter-country Programmes	94	413	18	525	482
Total Assistance	1,586	3,337	1,904	6,827	5,752

The Financial Report - Cash

Cash on hand at the end of biennium:

	31 Dec 2011 (\$m)	31 Dec 2009 (\$m)	Change (%)
Other Resources	1,820	1,696	7%
Trust Funds	499	447	12%
Funded Reserves	331	249	33%
Regular Resources	431	585	(26)%
Total cash & investments	3,081	2,977	3%

Report of the Board of Auditors

For the biennium ended 31 December 2011

Unqualified Audit Opinion

“In our opinion, the financial statements present fairly, in all material respects, the financial position of the United Nations Children’s Fund as at 31 December 2011 and its financial performance and cash flows for the period then ended, in accordance with the United Nations system accounting standards.”

-UN Board of Auditors

Report of the Board of Auditors

Significant Observations / Recommendations from Biennium 2010-2011 summarized in 3 categories:

- National committees
- Budget management
- Programme management

National Committees

BOA Observations	UNICEF Response
UNBOA of the view that NatComs are agents of UNICEF → gross reporting	UNICEF's interpretation is that the NatComs act as principal. They are independent NGOs with own governing bodies → net reporting
Delays in obtaining certified Revenue and Expenditure Reports	UNICEF will strengthen the monitoring of submission deadlines.
Delay in transferring donations to UNICEF	NatComs have agreed to transfer funds to UNICEF at least quarterly.
Concerns about retention rates by some NatComs	UNICEF will engage and support National Committees with relatively high fundraising costs so that they strive to meet the target of 75% contribution rate.

Budget management

BOA Observations	UNICEF Response
Insufficient justifications for vacancy rate applied in the formulation of support budget	UNICEF agreed to monitor the trend of actual vacancy rates and to consider accordingly in future budget submissions.
No detailed activities and results for advocacy, programme development and inter-country programme budget	Detailed activities of the ICP will be reflected in office management plans.
Fragmented budget of some Headquarter divisions/offices	Programme and IB for all offices will be integrated in the next budget cycle.

Programme management

BOA Observations	UNICEF Response
Annual Management Plan/Annual Work Plan indicators without baselines and targets and implementation of plans delayed	UNICEF agrees with this recommendation and is currently simplifying the process to develop, monitor and review annual management plans.
Making disbursements before signing work plans	UNICEF will monitor closely the compliance by all offices of its policies related to disbursements.
Insufficient capacity assessment and assurance activities on cash transfers	An inter-agency effort to improve HACT is underway.

Report of the Board of Auditors

Status of implementation of recommendations:

	2010-2011		2008-2009	
	#	%	#	%
Implemented	1	3%	33	66%
Under Implementation	28	97%	15*	30%
Not Implemented	-	-	2	4%
Total	29	100%	50	100%

** Five of these recommendations have been re-stated by the BOA for the 2010-2011 biennium*

Thank You

Questions / Comments