

# UNICEF Executive Board Informal

**UNICEF financial report and audited financial statements for the year ended 31 December 2017, report of the Board of Auditors and management response**

15 January 2019

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Comptroller, UNICEF

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# High-level highlights of financial statements 2017

## 2017 Revenue\*

Total Revenue **\$6.58 billion**:

- **Other Resources Regular US\$3.03 billion.**
- **Other Resources Emergency US\$2.13 billion.**
- **Regular Resources US\$1.28 billion.**

## 2017 Assets, Liabilities and Net Assets

- **Assets - \$9.95 billion** (2016\*: \$8.65 billion).
- **Liabilities - \$3.35 billion** (2016\*: \$2.56 billion).
- **Net Assets - \$6.59 billion** (2016\*: \$6.09 billion).

**Strong Net Assets base sufficient to meet liabilities** (Accounts Payable, Deferred revenue, 3rd party funds, After-Service Health Insurance (ASHI) and Other employee benefits).

## 2017 Expenses

Total Expenses **\$5.86 billion**

- Programme expenses of **US\$5.45 billion** for the **7 outcome areas.**

## 2017 Cash and Investment assets managed

Cash and Investment assets managed are **\$5.06 billion**:

- **US\$4.22 billion** in investments, **US\$0.84 billion** in cash and cash equivalents (**US\$0.47 billion** of assets are externally managed to cover ASHI liabilities).



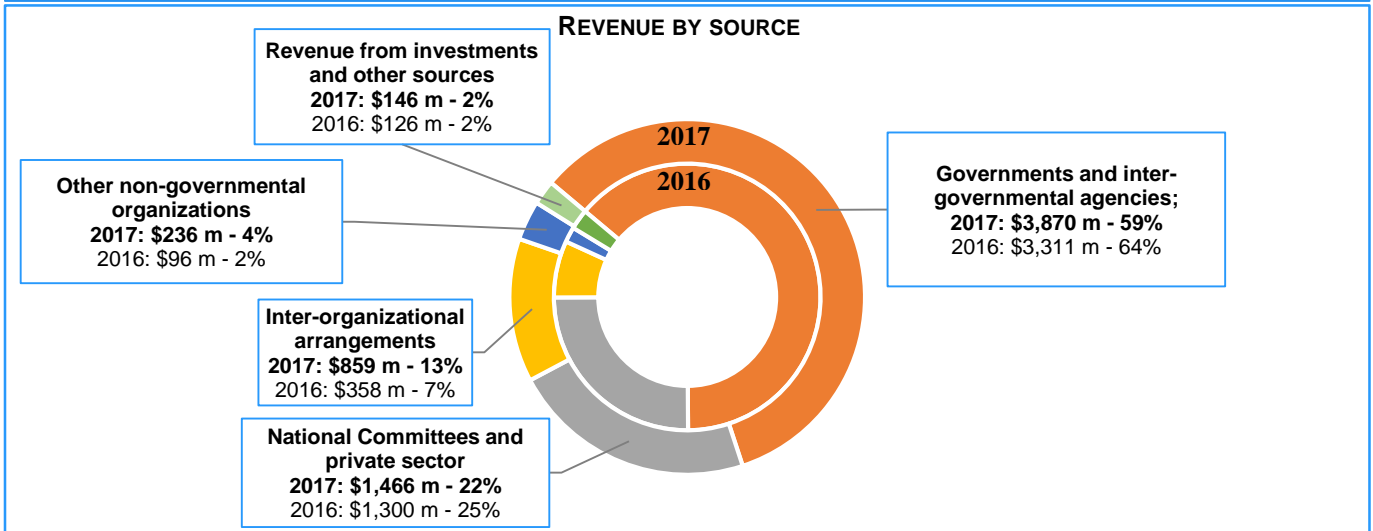
## Net Surplus

- **Net Surplus - \$0.79 billion** (2016: deficit \$0.2 billion):

Net surplus includes earmarked funds related to multi-year agreements, for which related expenditures will occur in future years in line with the donor agreements.

\* UNICEF revised its revenue recognition policy with retroactive application, as a result, prior year information for 2016 has been restated to allow comparison.

# Revenue by source and segment



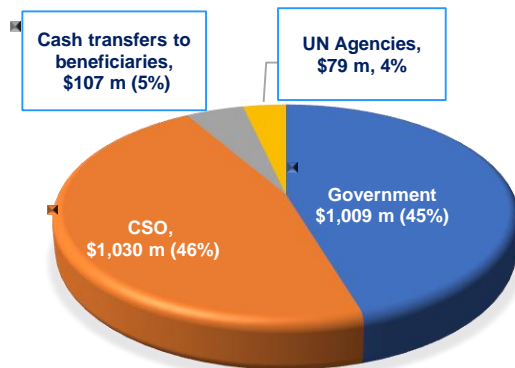
- Contributions from governments and inter-governmental agencies made up the largest portion of contributions at **59 per cent** of total revenue
- Regular resources increased by **8 per cent** to **US\$ 1.42 billion**, mostly due to revenue from **UNICEF National Committees**
- Other Resources – regular increased by **63 per cent** to **\$3.03 billion** mainly as a result of the World Bank contribution of \$0.52 billion to programmatic activities in Yemen.
- Other resources – emergency increased by **6 per cent** to **\$2.13 billion**

# UNICEF Programme Implementation Global Overview

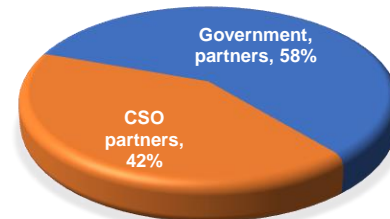
- Transfer of cash and supplies to implementing partners is the largest implementation modality – **57%**.
- In 2017, UNICEF transferred **US\$2.2 billion** to implementing partners an increase of **38 per cent** from 2016.
- UNICEF worked with **5,532** government partners and **3,939** Civil Society Organizations.
- Programme supplies of **US\$1.1 billion** distributed directly or through implementing partners to beneficiaries

Expense type	2017*	% of total	2016*	% of total2
1. TRANSFERS OF CASH ASSISTANCE	2,225	38%	1,972	34%
2. TRANSFER OF PROGRAM SUPPLIES	1,086	19%	1,139	19%
3. EMPLOYEE BENEFITS	1,310	22%	1,208	21%
5. OTHER PROGRAMME RELATED EXPERT SERVICES	474	8%	422	7%
6. OTHER EXPENSES	768	13%	707	12%
<b>Total</b>	<b>5,863</b>		<b>5,448</b>	
* in million US\$				

CASH TRANSFERS BY PARTNER TYPE



NUMBER OF PARTNERS



Distribution of Cash Transfers (USD \$):  
 \* 51% National NGOs  
 \* 49% International NGOs

## Regional programme supplies and cash assistance

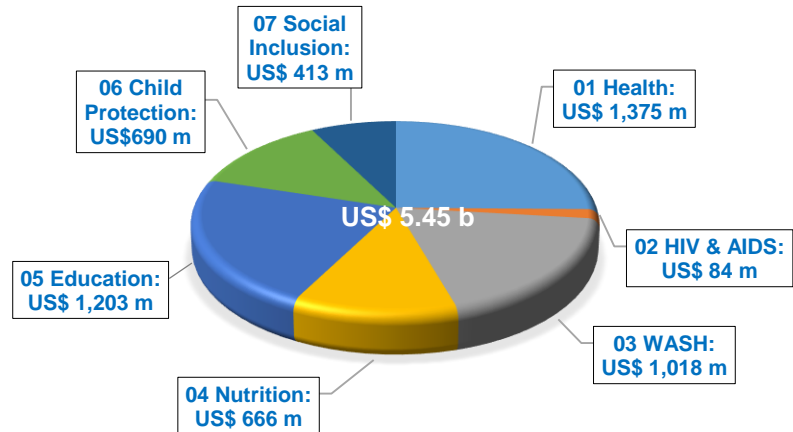
- Programme supplies and cash assistance constituted largest implementation modality, with the MENA region accounting for the largest portion due to responses to emergencies.

Region	2017 (\$ in m)		2016 (\$ in m)	
Middle East and North Africa (MENA)	32%	1,066.5	28%	862.7
Western and Central Africa (WCA)	23%	767.3	27%	829.0
Eastern and Southern Africa (ESA)	22%	741.4	24%	735.2
South Asia (SA)	9%	305.6	10%	305.2
East Asia and Pacific (EAP)	4%	132.9	5%	165.3
Latin America and Caribbean (LAC)	2%	81.8	2%	62.6
Europe and Central Asia (ECA)	6%	187.8	4%	126.6
Transfers to UN agencies and other organizations at HQ	1%	27.2	1%	23.8
<b>Total</b>		<b>3,310</b>		<b>3,110</b>
Total Programme Supplies		1,086		1,139
Total Cash Assistance		2,224		1,971

# Programme Expenses by Outcome 2017

1. The three outcomes with the highest resources invested by UNICEF are:
  - a) Outcome 01 Health **US\$ 1.37 billion;**
  - b) Outcome 05 Education **US\$ 1.20 billion;** and
  - c) Outcome 03 WASH **US\$ 1.02 billion**
2. The outcomes with the least resources invested in 2017 was Outcome 02 HIV & AIDS with **US\$ 84 million** and Outcome 07 Social Inclusion, **US\$ 413 million.**
3. Total 2017 programme expenses by outcome area was **US\$ 5.45 billion.**
4. Cost recovery from other resources programme expenditure was **US\$ 295 million.**

## 2017 PROGRAMME EXPENDITURE BY OUTCOME AREA



# Status of implementation of UNBOA Recommendations

Recommendations	Issued in 2013	Issued in 2014	Issued in 2015	Issued in 2016	Issued in 2017	Total 2013-2017
Issued	17	11	22	36	36	122
Implemented and confirmed by BOA	16	10	18	12	-	56
Total outstanding per 2017 report	1	1	4	23	36	65
Implemented pending BOA confirmation during 2018 audit	-	-	-	14	13	27
Not accepted	-	-	-	1	2	3
Percentage Implemented	94%	91%	81%	74%	50%	70%
Under implementation	1	1	4	9	21	36

- **Long standing (2015, 2014 and 2013) - Five** recommendations where long outstanding. Management has taken full actions to implement the **five** recommendations and these will be assessed by the UNBOA during the final audit in April 2019.
- **Three recommendations** were not accepted by UNICEF ( two in 2017 and one in 2016), however consensus has been reached with UNBOA to reopen discussion to find a mutually accepted way to mitigate the issues identified.
- A detailed management response has been provided to the Executive Board on recommendations of the UNBOA and UNICEF will continue to engage with the UNBOA and provide evidence on implementation of the **36 open recommendations** to show progress in implementation in line with targets set in the Integrated Results and Resources Framework of the Strategic Plan 2018 – 2021.

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THANK YOU