

**Extract of the
Report on the external assessment
of the investigation function of the
United Nations Children's Fund (UNICEF)**

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31 January 2022*

* Reissued on 7 February 2022 with revisions.

Executive summary

At the request of the Director of the Office of Internal Audit and Investigations (OIAI) of the United Nations Children's Fund (UNICEF) and as required by the Charter of OIAI, we conducted, between September and December 2021, an external assessment of UNICEF's investigation function. In accordance with our Terms of Reference, the assessment focused on the investigation function managed by OIAI during the period 1 January 2019 to 30 September 2021.

Based on our review, we conclude that, overall, the investigation function, as managed by OIAI, is in conformity with generally accepted standards for investigations in international organizations as reflected in the Uniform Principles and Guidelines for Investigations.

We further conclude that the investigation function, as managed by OIAI, complies with the Charter of OIAI and with other UNICEF Legislative Instruments.

The investigative work performed by OIAI is perceived by stakeholders as fair and competent and the interaction was described as constructive and effective.

During the review period and under new leadership, OIAI's investigation function has shown impressive enhancements of its procedures, practices and outputs, which would not have been possible without the significant increase in resources provided to OIAI in recent years.

We consider that the investigation work, mandate, structures, procedures and practices of OIAI compare favourably with other investigative offices in the United Nations (UN) system.

Notwithstanding this overall positive assessment, there is potential for further improvement and the report makes a total of 19 recommendations in that regard.

Our review identified the following key issues:

- OIAI's portfolio and use of resources is still dominated by allegations of misconduct against UNICEF staff members, whereas investigations into wrongdoing involving UNICEF vendors and implementing partners play only a secondary role.
- The amount of undetected and unreported fraud losses in UNICEF is likely to be significant and the number of fraud and corruption cases reaching OIAI is statistically improbable.
- The current vendor review process and the legal and policy framework applicable to implementing partners do not ensure that all allegations of fraud and corruption by vendors and implementing partners are assessed and investigated by OIAI.
- Substantial investigative resources are absorbed by initial assessments of numerous cases of alleged prohibited conduct other than sexual harassment, which do not require nor deserve investigative activities and could be addressed by management intervention. Far too often, managers and staff see OIAI as the first responder for workplace grievances while, in most cases, investigation should be the recourse of last resort.
- Contrary to the relevant General Assembly resolution, no case of alleged criminal conduct by UNICEF staff has been referred to national authorities in the last decade.

- There is no systematic follow-up and reporting on the implementation of recommendations emanating from investigations.
- While the number of professional investigators is comparable to the investigative offices of comparator organizations, the non-post budget has not seen any increase, severely limiting OIAI's ability to undertake essential investigation travel.
- The delineation of responsibilities between the two Investigation Operations Units is not clear and Budapest as a location for an Investigation Unit away from Headquarters does not reflect the caseload and the regions from which it emanates.

The following key recommendations aim at addressing those issues:

- Expedite the launch of the web-based reporting system and actively promote its use as the primary channel for reporting allegations of misconduct (Rec. 2).
- Set more ambitious targets for the Key Performance Indicators on timeliness of investigations, especially for the completion of initial assessments (Rec. 6).
- Establish a structured process for following up and reporting on the implementation of recommendations emanating from assessments and investigations (Rec. 8).
- Submit all suitable cases, where the investigation finds criminal conduct of a serious nature, to the General Counsel for consideration of referral to national authorities (Rec. 10).
- Take a more active and direct role in investigating allegations of fraud and corruption by vendors and implementing partners (Rec. 11).
- Explore options, including policy changes, for early closure and/or referral of those complaints of prohibited conduct which do not require investigative intervention or for which other recourse mechanisms have not yet been exhausted (Rec. 12).
- Expand proactive investigative activities to address the significant risks emanating from UNICEF operations, in particular in the field (Rec. 14).
- Seek a revision of the policy and procedures applicable to the UNICEF vendor review process in order to ensure that all cases of suspected vendor fraud are reported to OIAI for proper assessment and investigation (Rec. 15).
- Seek an increase in non-post resources to ensure investigations can be undertaken effectively, efficiently and in compliance with professional standards (Rec. 16).
- Assess the future organizational arrangements for and location of the Investigations Operations Units with a view at aligning the investigative presence with the expected caseload and the regions from which it emanates (Rec. 18).
- Introduce a system for recording and tracking time against investigative activities in order to better assess the use of investigative resources and thereby justify its resource requirements (Rec. 19).

Annex I: List of recommendations

Recommendation 1:

In order to ensure the integrity of the investigations function, while protecting its independence, OIAI should initiate an amendment to its Charter or to the UNICEF Policy on the Disciplinary Process to include more explicit provisions on the process applicable in case of allegations of misconduct against the Director of OIAI.

Recommendation 2:

OIAI should expedite the launch of its web-based reporting system, in several official languages, and should actively promote its use as the primary channel for reporting allegations of misconduct.

Recommendation 3:

OIAI should urge a review and revision of relevant policies and guidelines concerning channels for reporting wrongdoing with a view to ensuring consistency.

Recommendation 4:

OIAI should amend and finalize its new Investigation Manual, covering also non-staff investigations.

Recommendation 5:

OIAI should provide more detailed guidance on case prioritization, including a formal methodology for determining the priority of cases.

Recommendation 6:

OIAI should set more ambitious targets for its Key Performance Indicators on timeliness of investigations, especially for the completion of initial assessments.

Recommendation 7:

OIAI should opine, in its investigation reports, whether the facts established by the investigation constitute misconduct.

Recommendation 8:

OIAI should, in coordination with the Office of the Executive Director, establish a structured process of following up and reporting on the implementation of recommendations emanating from its assessments and investigations, which may include requesting that offices responsible for acting on the recommendations report back to OIAI within a particular time period.

Recommendation 9:

OIAI should expand the use of Advisories derived from its investigative findings.

Recommendation 10:

OIAI should submit all suitable cases, where the investigation finds criminal conduct of a serious nature, to the General Counsel for consideration of referral to national authorities.

Recommendation 11:

Consistent with its mandate, OIAI should take a more active and direct role in investigating allegations of fraud and corruption by vendors and implementing partners.

Recommendation 12:

OIAI should explore options, including policy changes, for early closure and/or referral of those complaints of prohibited conduct which obviously do not require investigative intervention or for which other recourse mechanisms have not yet been exhausted.

Recommendation 13:

OIAI should seek to initiate a review of the UNICEF Whistle-Blower Protection Policy, in coordination with the Ethics Office, with a view to establishing a more realistic target for the completion of investigations and aligning it with prevailing UN system policies.

Recommendation 14:

OIAI should expand its proactive investigative activities to address the significant risks emanating from UNICEF's operations, in particular in the field.

Recommendation 15:

OIAI should seek to initiate a revision of the policy and procedures applicable to the UNICEF vendor review process, in coordination with the General Counsel and the Supply Division, in order to ensure that all cases of suspected vendor fraud are reported to OIAI for proper assessment and investigation.

Recommendation 16:

OIAI should seek an increase in its non-post resources to ensure investigations can be undertaken effectively, efficiently and in compliance with professional standards.

Recommendation 17:

In order to better address the risk of fraud, OIAI should aim at further strengthening its investigation capacity, focusing on data analytics and forensic auditing.

Recommendation 18:

OIAI should assess the future organizational arrangements for and location of the Investigations Operations Units with a view at aligning the investigative presence to the expected caseload and the regions from which it emanates.

Recommendation 19:

OIAI should introduce a system for recording and tracking time against investigative activities in order to better assess the use of investigative resources and thereby justify resource requirements.