

# Office of Internal Audit and Investigations 2021 annual report

Reimagine the future  
**for every child**

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UNICEF Executive Board – Informal briefing – 23 May 2022

Item 9: UNICEF Office of Internal Audit and Investigations 2021 annual report to the Executive Board

Reference documents: E/ICEF/2022/AB/L.5 and Add.1

unicef   
for every child

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# OIAI confirms:

- Provision of an annual opinion (in accordance with Executive Board decision 2015/11)
- Independence and absence of management interference
- Compliance with the applicable professional standards
- Compliance with Executive Board decision on public disclosure (decision 2012/13)
- Approval of the new OIAI Charter
- Advancement of restructuring and decentralization plans
- Participation in professional networks and coordination



# 2021: Challenges and opportunities

- **Remote working:** Delivered audits and investigations fully remotely
- **Advisory support:** Expanded by both audit and investigations to support organizational risk management
- **Increased use of data analytics** for risk analysis, proactive planning and audit and investigations
- **Focus on improvement:** External review of investigative function and expanded decentralization
- **Broader communications:** Expanded communication tools for sharing findings and results
- **Harmonization:** Responded to Executive Board's request for harmonization of reporting for audits and investigations with other United Nations funds and programmes



# Annual opinion

In line with Executive Board decision 2015/11 and based on the scope of work undertaken in 2021, the UNICEF framework of governance, risk management and controls ***was generally adequate and effective.***

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## BASIS FOR OPINION

- ▶ Independent risk-based workplanning and prioritization based on available resources
- ▶ 100 per cent of the audit reports resulted in an overall satisfactory rating
- ▶ Satisfactory implementation rate of agreed actions
- ▶ Non-discovery of material deficiencies in the overall organization's framework of governance, risk management and control

# Internal audit overview



- 20 reports issued: 17 audits (16 country offices, 1 thematic) and 3 advisories
- Country offices audited constituted 29% of UNICEF 2021 planned programme expenditures
- 100 per cent of the audit reports resulted in an overall satisfactory rating



- 15% “high-priority” agreed actions

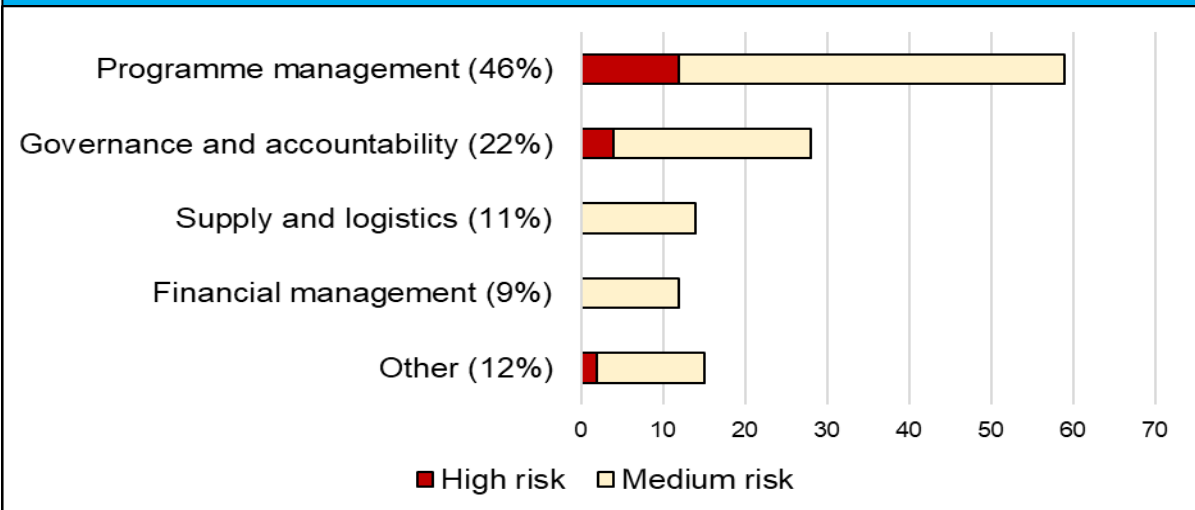


- Two agreed actions older than 18 months (closed subsequently)
- 95% of 2020 agreed actions implemented

## KEY POINTS FROM THEMATIC AUDIT AND ADVISORIES

- **Thematic audit of non-governmental implementing partnerships** – Increase competitive selection of partners; Strengthen quality of programme visits; Improve mechanism for tracking ineligible expenditure
- **Advisories** – Form regional community of practice for risk management and compliance; Establish diversity, equity and inclusion indicators; Strengthen controls over danger pay and overtime entitlements

## FOCUS OF COUNTRY OFFICE AUDIT OBSERVATIONS



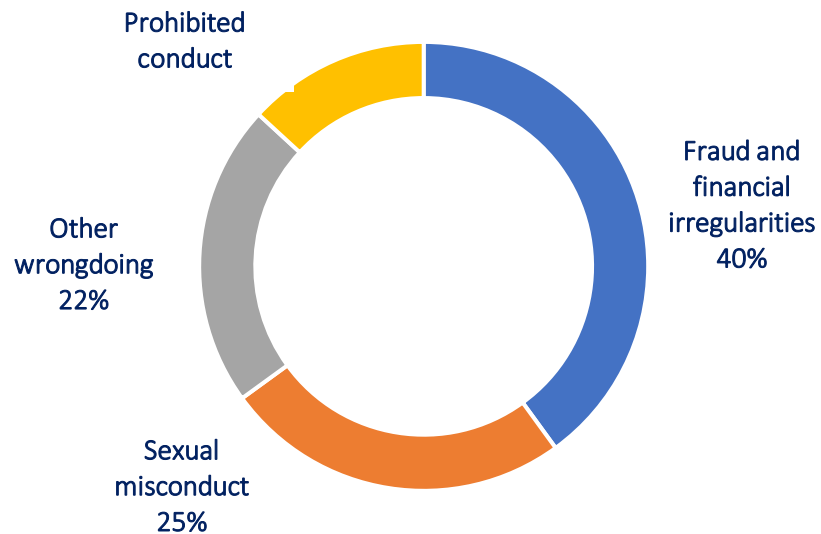
# Investigations overview

647 investigations cases managed in 2021, representing a 24 per cent increase compared to 2020

## NEW CASES IN 2021

380 allegations received in 2020  
23% increase over 2020

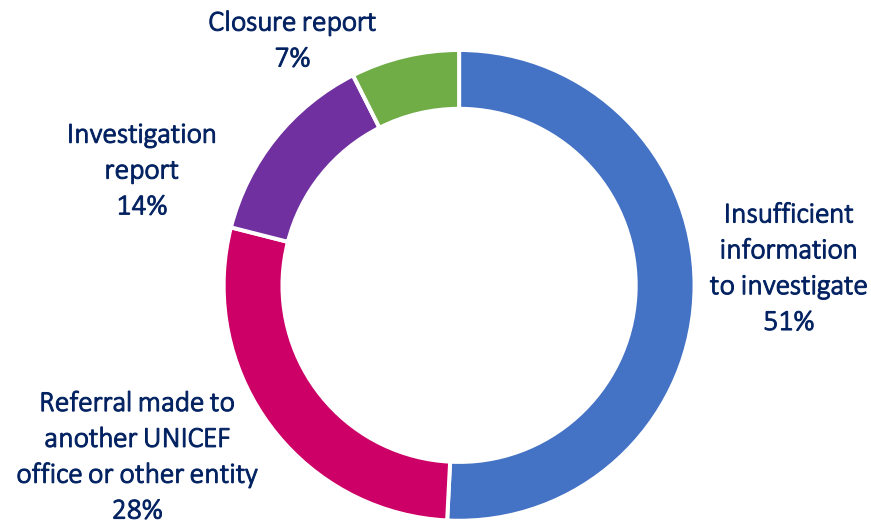
Distribution of 2021 case intake



## CASES CLOSED IN 2021

310 cases closed (22% higher than 2020)  
59% cases closed within 9 months

Disposition of 2021 closed cases



## Non-case-specific activities in 2021

- Guidance and advice to staff on possible misconduct and wrongdoing, including alternative measures for resolution
- Analysis of the legal and policy framework to strengthen response to allegations of fraud and corruption by implementing partners and vendors
- Continued strengthening of cross-divisional and inter-agency responses to sexual exploitation and abuse
- Contribute to critical policy initiatives, and, together with the Legal Office, enable consistency in donor and financing agreements (on audit and investigations reporting obligations)

# Investigations external quality assessment

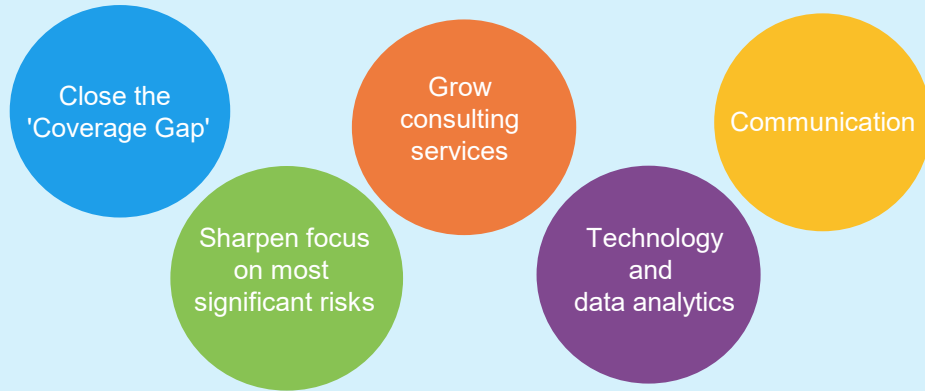
- **Independent assessment of investigations function, 2019-2021** ([Link to Report Summary](#))
- **Overall positive assessment:**
  - “[O]verall ... in conformity with generally accepted standards for investigations in international organizations” and “complies with the Charter of OIAI and with other UNICEF Legislative Instruments”
  - OIAI investigative work perceived as “fair and competent” and interaction as “constructive and effective”
- **Opportunities for improvement, including:**
  - Exploring options to close/refer certain workplace misconduct cases at an earlier stage, where investigation is not appropriate
  - Strengthening OIAI role in investigating allegations of fraud and corruption by vendors and implementing partners, including through revision of policies related to the UNICEF vendor review process



# 2022-2025 OIAI Strategy

## INTERNAL AUDIT

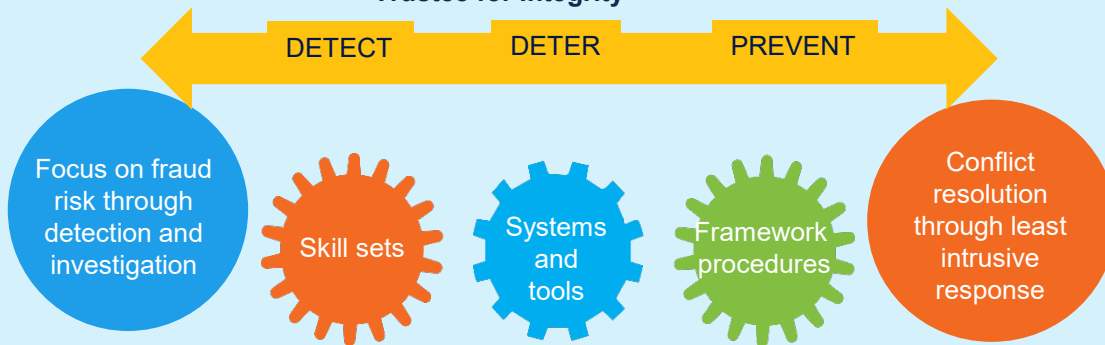
Agent of Change and Trusted Adviser



Innovation and Staff Development

## INVESTIGATIONS

Trustee for Integrity



Promote Accountability, Integrity and Ethical Behaviour

# Focus in 2022

- Increase assurance and advisory services and reduce coverage gap
- Smarter integrity framework
- Catalyst for organizational smart risk-taking
- Better risk intelligence, including with expanded data analytics
- Implementation of the external quality assessment recommendations
- Increase donor confidence



# STRATEGY INFLUENCERS

## 1 RESOURCES

- 8 of 13 posts requested were approved
- Non-post budgets remain below that of the previous quadrennium
- Office pursuing cost-saving and efficiency opportunities

## 2 DECENTRALIZATION CONTINUES

- Gradual increase through 2024
- Ensure business continuity
- Prioritize positive staff morale
- Implement through vacancies & volunteers



## 3 REMOTE WORK (Transition to hybrid modality)

### Benefits

- Costs, carbon footprint
- Technology and analytics
- Confidentiality and privacy
- Innovation and skill development
- Alternative assurance sources

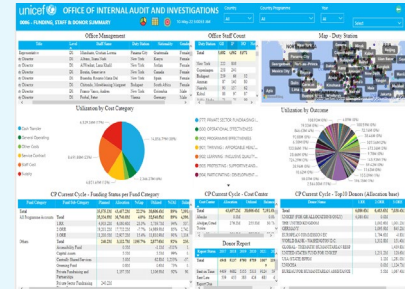
### Risks

- Trust building
- Dynamic intelligence gathering
- Reliance on secondary evidence
- Time zone differences
- Digitization, connectivity, cyber

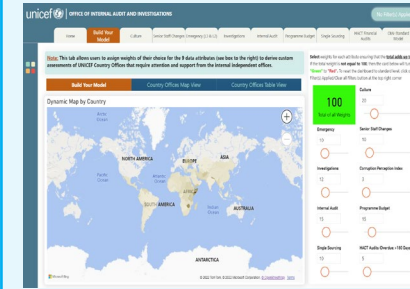
**Developed criteria for selecting engagement modality**

## 4 DATA ANALYTICS

Relevant and reliable information dashboards



Proactive risk intelligence (country analytics)



Proposed Use of AI and Machine learning



Thank you.