

Office of Internal Audit and Investigations

Working towards a culture of integrity

Stephen Zimmermann, Director

UNICEF Executive Board – Informal briefing – 24 August 2022

Item 8: Update on oversight matters

Reference document: [E/ICEF/2022/26](#)

Mandate and Charter



**Provide
assurance and
advisory
services to all
of UNICEF
global
operations**



**Support
UNICEF Integrity
Framework through
investigations into
alleged wrongdoing**



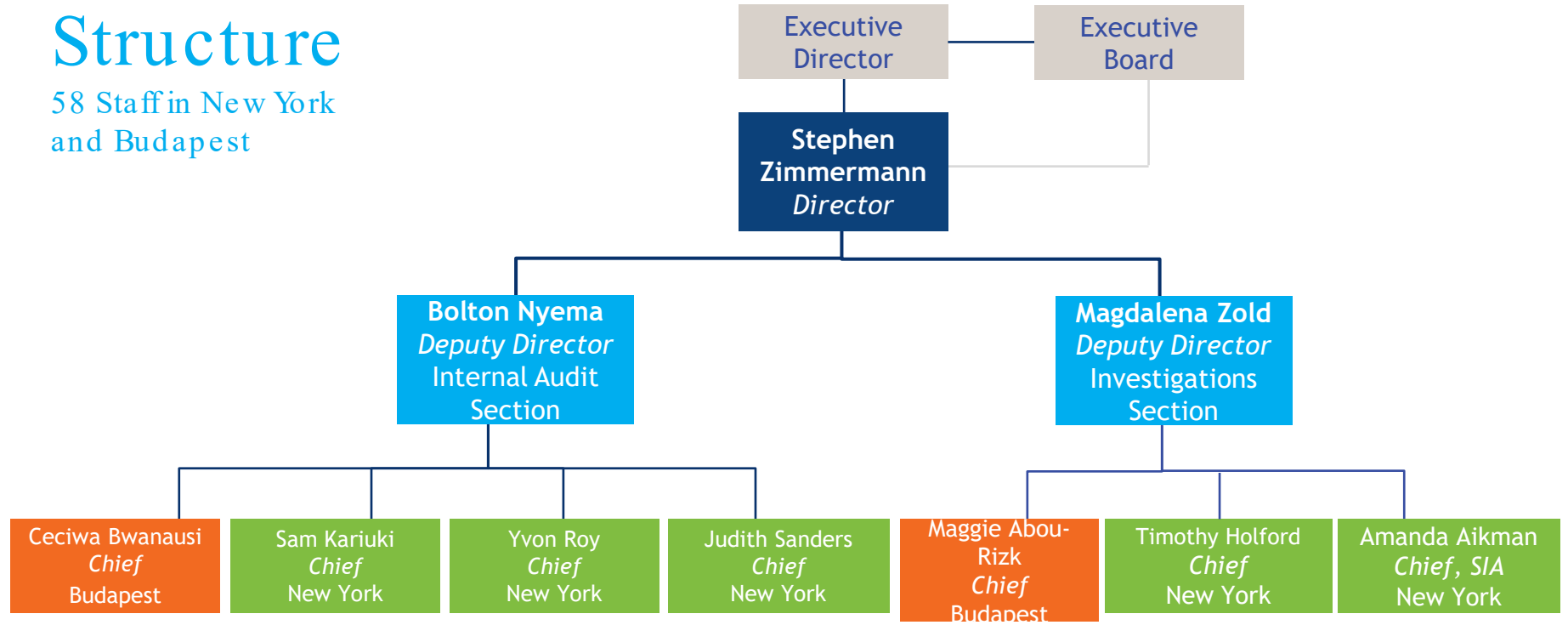
**Improve
UNICEF
governance,
risk
management
and control
processes**



**Maintain
functional and
operational
independence**

Structure

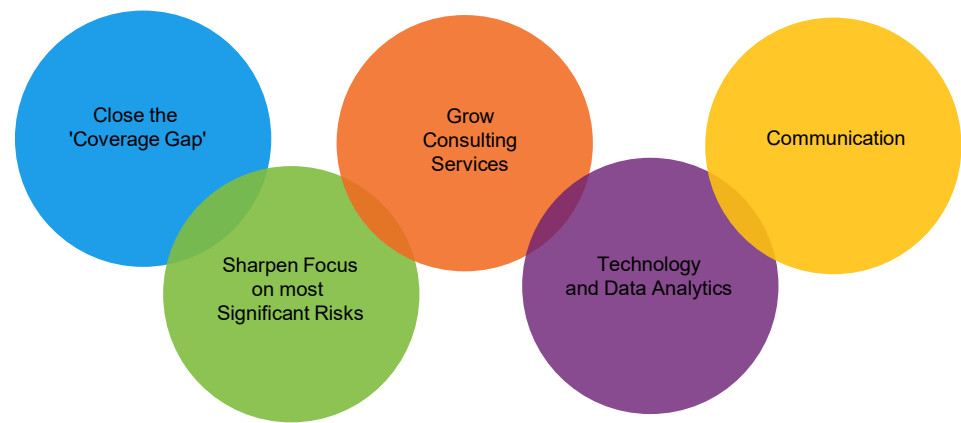
58 Staff in New York and Budapest



2022–2025 OIAI Strategy

INTERNAL AUDIT

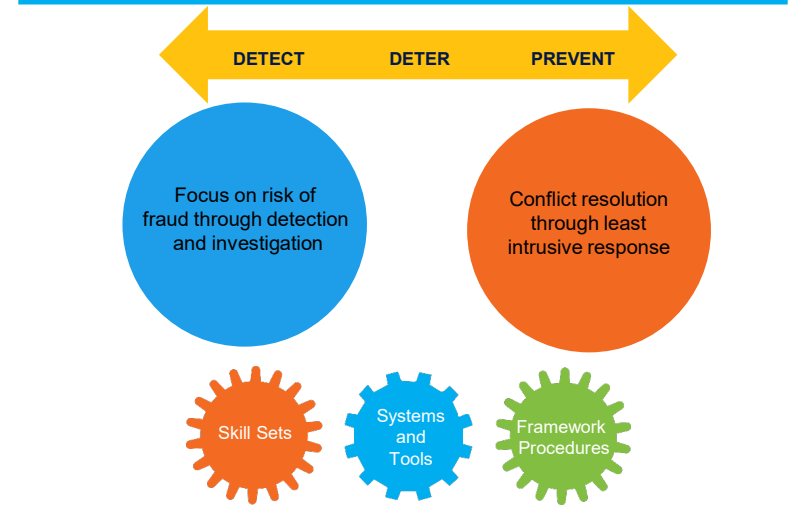
Agent of Change and Trusted Advisor



Innovation and Staff Development

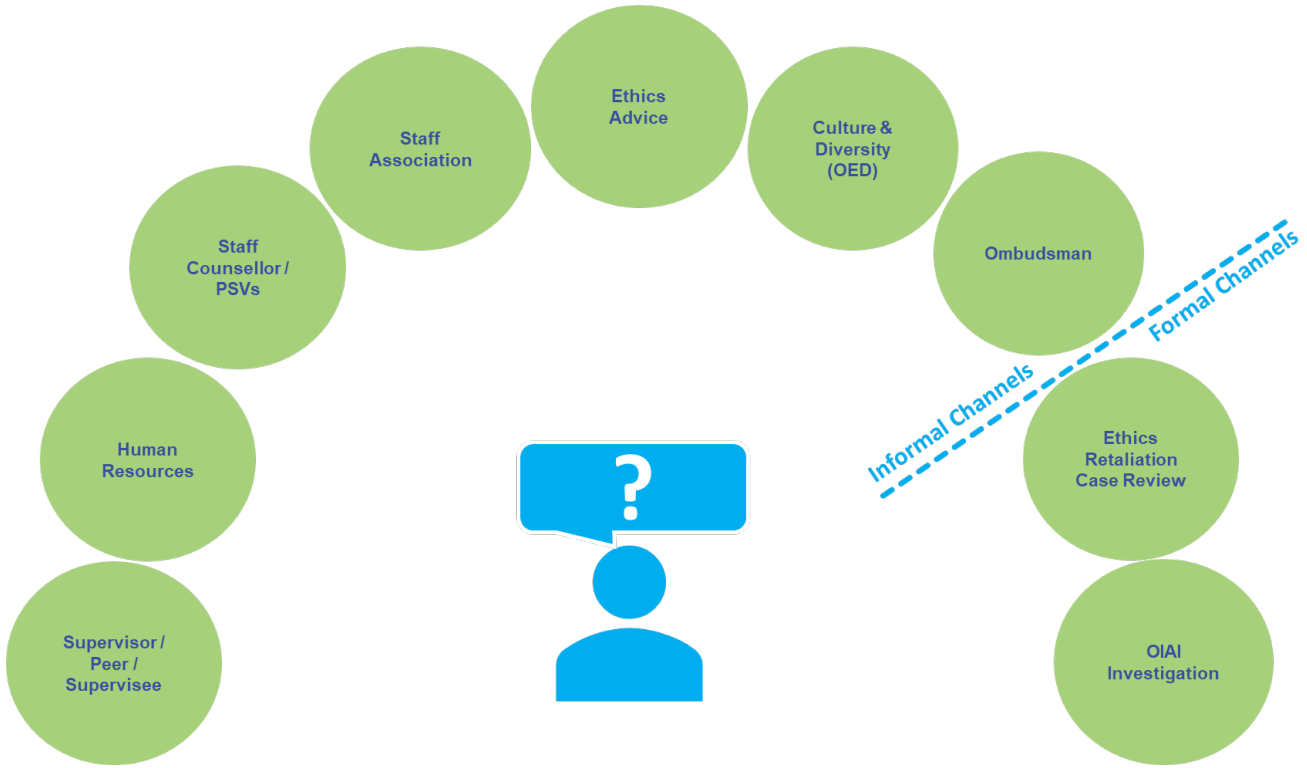
INVESTIGATIONS

Trustee for Integrity



Promote Accountability, Integrity and Ethical Behaviour

The Integrity Framework: Options to address workplace conflicts and concerns



Investigations

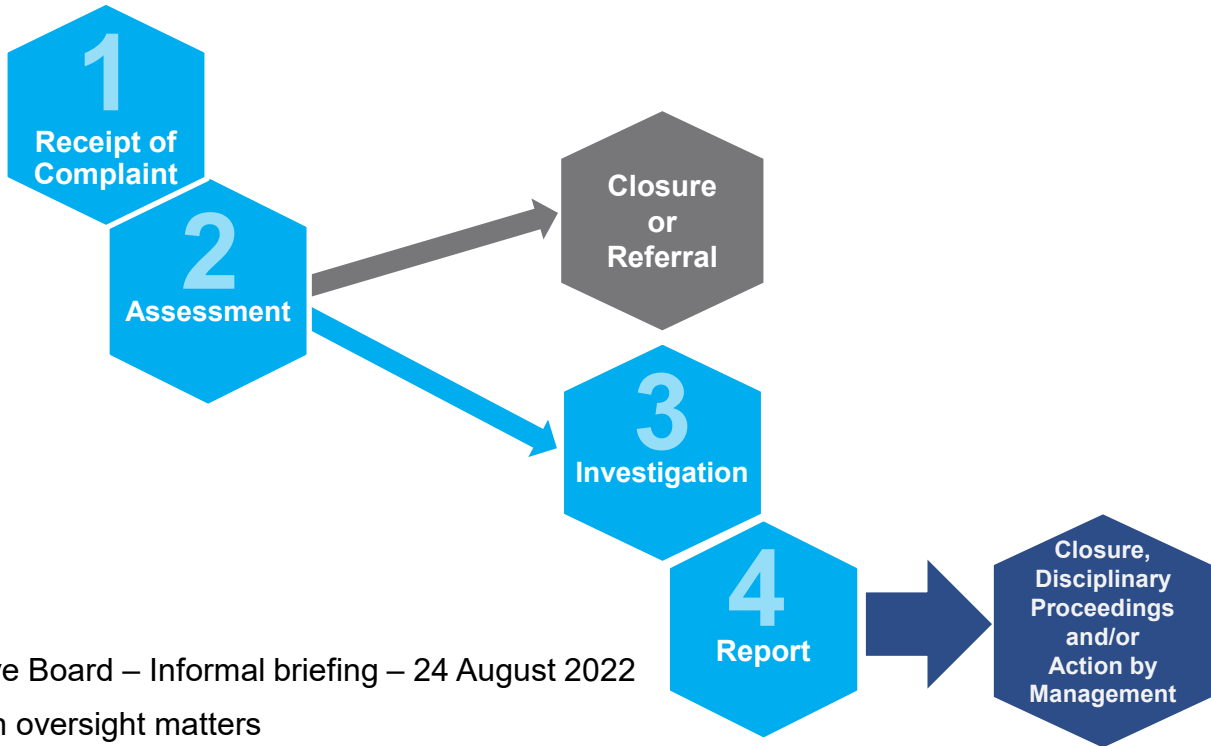
Misconduct and SEA

- Staff members
- Consultants
- Implementing Partners

Fraud and corruption

- Implementing partners
- Vendors & Suppliers
- Staff

The investigation process



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The investigation process



When OIAI completes an investigation, it produces:

- **an investigation report** when the evidence supports a finding of misconduct, or
- a **referral**, when a matter is best handled by another office, or
- a **closure report**, when the evidence does not support the case

OIAI will notify victims and alleged offenders about the outcome of an investigation.

Seeking the most efficient resolution

- Suspected misconduct should always be reported to OIAI which will review to determine the most efficient manner to address the issue.
- Staff and managers are encouraged to de-escalate conflict and reserve investigative intervention as a last resort.
- Retaliation should be reported to the Ethics Office. If the Ethics Office makes a prima facie finding of retaliation, OIAI investigates.
- OIAI is always available to consult on the best way forward.

Addressing Fraud

Investigations Section:

- Provides advisory services to UNICEF Offices / entities
- Conducts investigations into credible allegations of fraud, corruption and other forms of misconduct

Internal Audit Section:

- Provides assurance to United Nations Board of Auditors, in terms of the OIAI Charter
- Conducts internal and thematic audits

Yearly overview of caseload

Average yearly increase in caseload

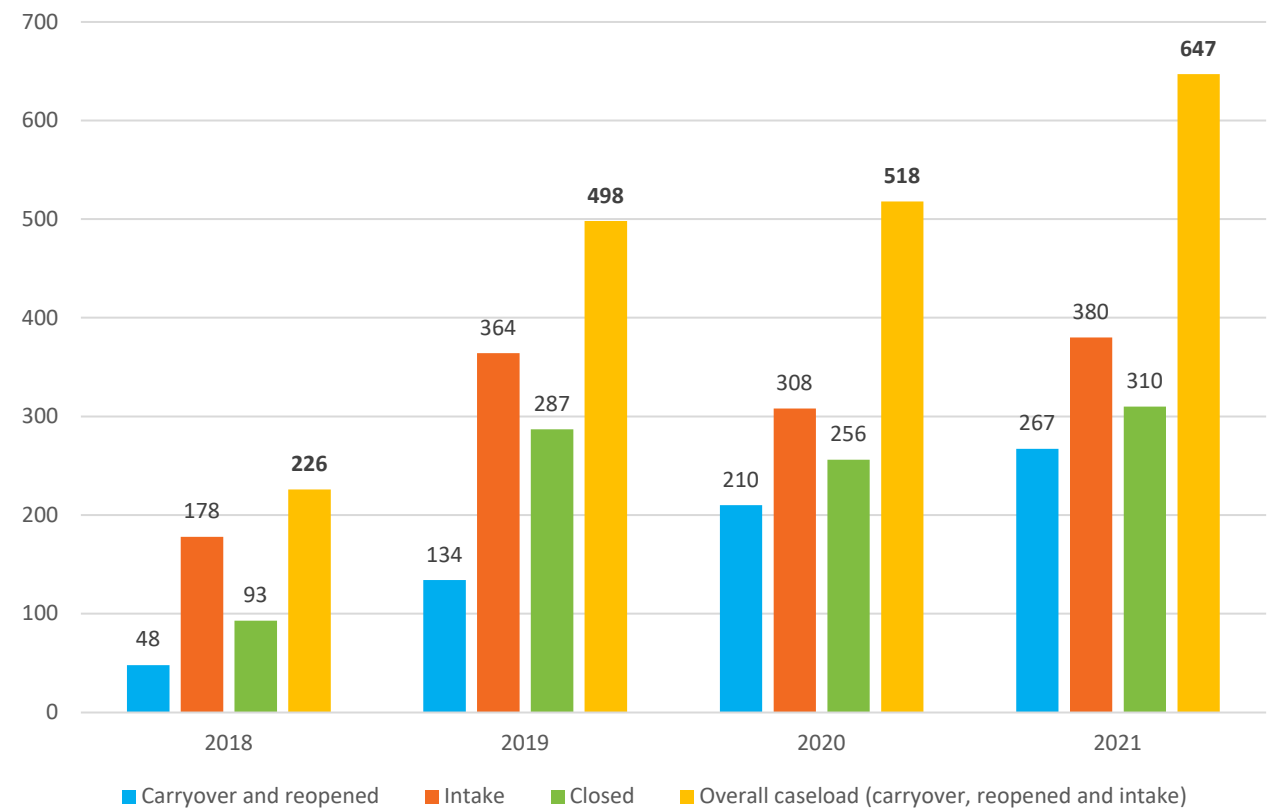
42%

Average yearly increase in closures

49%

Increase in caseload 2017-2021

450%



Internal Audit Services

Assurance	Advisory
Determined by OIAI	Mutually agreed by Office & OIAI
Assessment of adequacy and effectiveness of governance, risk management and control	Advice or assistance, point of view or real-time insights
<ul style="list-style-type: none"> Internal auditor Auditee Stakeholders (ED, Board, AAC) 	<ul style="list-style-type: none"> Internal auditor Client office
<ul style="list-style-type: none"> Formal Audit Report Subject to public disclosure Less risk on independence and objectivity Resources: type/number easier to estimate Less Agile 	<ul style="list-style-type: none"> Formal or informal contributions Not subject to public disclosure Care to ensure independence and objectivity Resources: SME /number difficult to estimate More Agile

Together, they inform OIAI overall opinion

Internal Audit Workplanning

- Informed by risk discussions with Executive Management, Global Management Team, UN Board of Auditors (BoA), and Selected Donors
- Independent selection of audits (country office/thematic) based on quantitative data analysis of multiple factors and internal audit resources
- Independent periodic review/refresh of workplan
- Workplan approved by the Executive Director (after review by AAC)

Internal Audit Reports

- Initial summary of observations and subsequent draft report shared with auditees for feedback
- Management review and response resulting in Agreed Actions
- Final Report issued to Executive Director
- Opinion of Executive Director and Member State obtained regarding potentially sensitive information, but final decision is with OIAI
- Publication on www.unicef.org
- Agreed actions open more than 18 months are reported to the ED, AAC and the Executive Board.

Hallmarks of Independence

Reporting

- OIAI Director Reports to the Executive Director
- OIAI reports annually to the Executive Board through its annual report

Scope of Work:

- OIAI independently determines what to audit and what to investigate
- Management can review OIAI decision not to investigate

Quality Control

- OIAI determines content of audit and investigative reports
- OIAI has recently had external reviews of both its audit and investigations functions

Resources and Budget

- OIAI has independent discretion over utilization of the funds it is allocated
- Management controls budget allocation for OIAI, as it does for all UNICEF functions
- Growth of UNICEF programmes and OIAI workload has increased more rapidly than growth in OIAI resources
- While staffing numbers have increased, non-post budget resources are the same in 2022 as in 2018

Opportunities

- Expand interactions between OIAI and the Executive Board
- Consult with Executive Board on changes to employment status of the Director of OIAI
- Consider alternative funding models and sources for oversight activities
- Strive for consistency in donors' requests for information on assurance
- Encourage independent determination by OIAI of what to investigate and audit
- Encourage increase in use of alternative dispute mechanisms and management intervention to resolve conflict, whenever possible