

# 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**



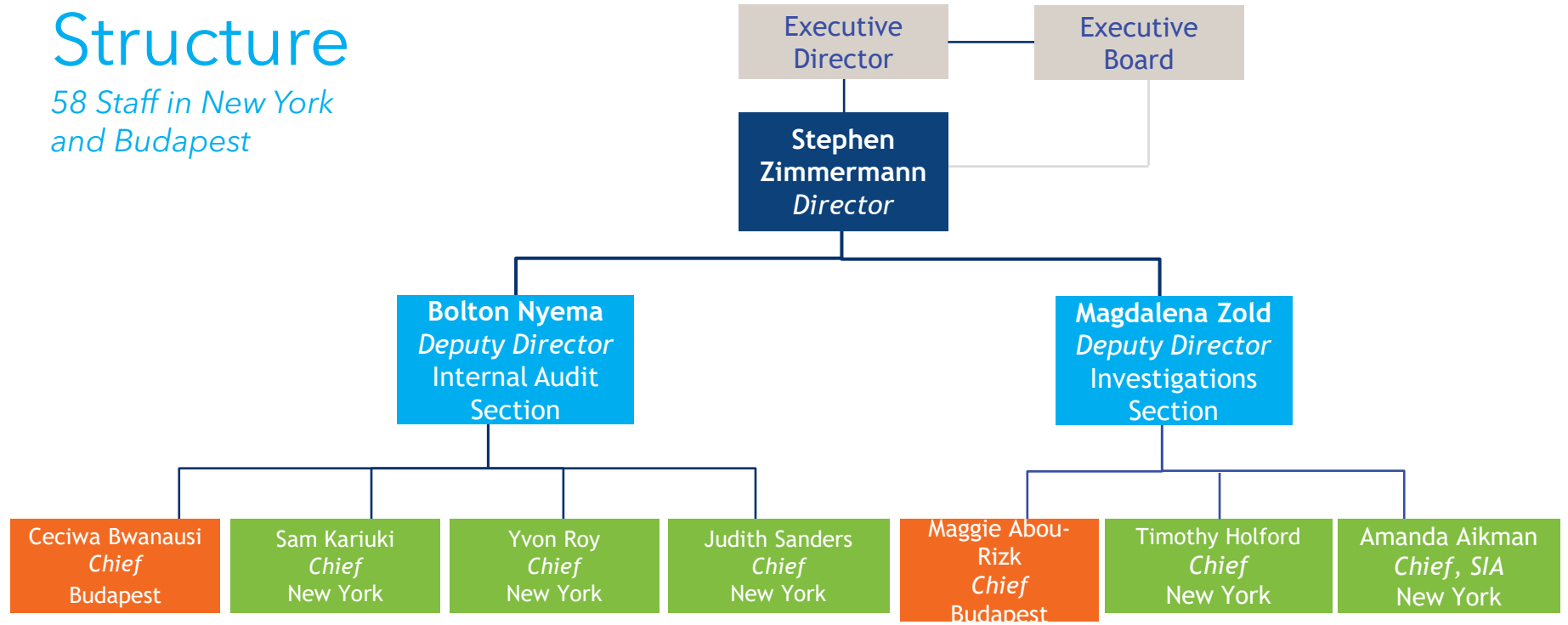
**Improve  
UNICEF  
governance,  
risk  
management  
and control  
processes**



**Maintain  
functional and  
operational  
independence**

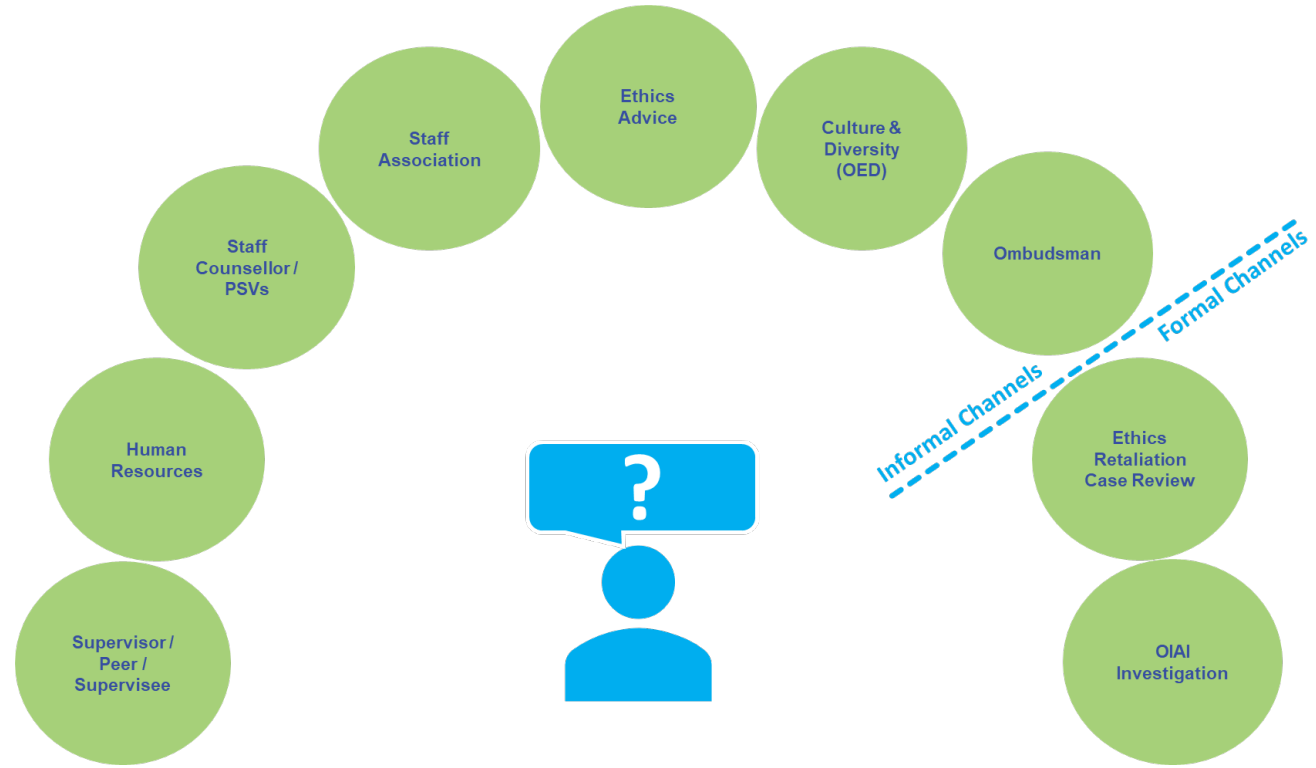
# Structure

58 Staff in New York and Budapest



# The Integrity Framework:

Options to address workplace conflicts and concerns



# Investigations

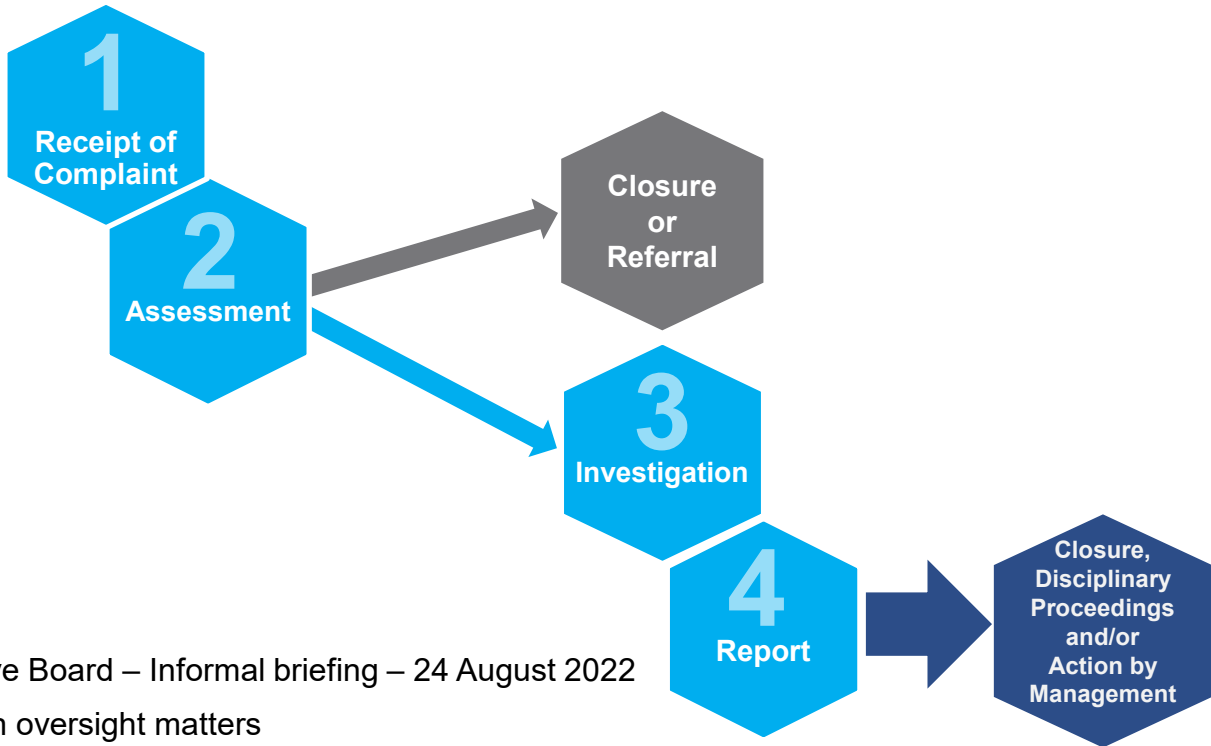
## Misconduct and SEA

- Staff members
- Consultants
- Implementing Partners

## Fraud and corruption

- Implementing partners
- Vendors & Suppliers
- Staff

# The investigation process



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# 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

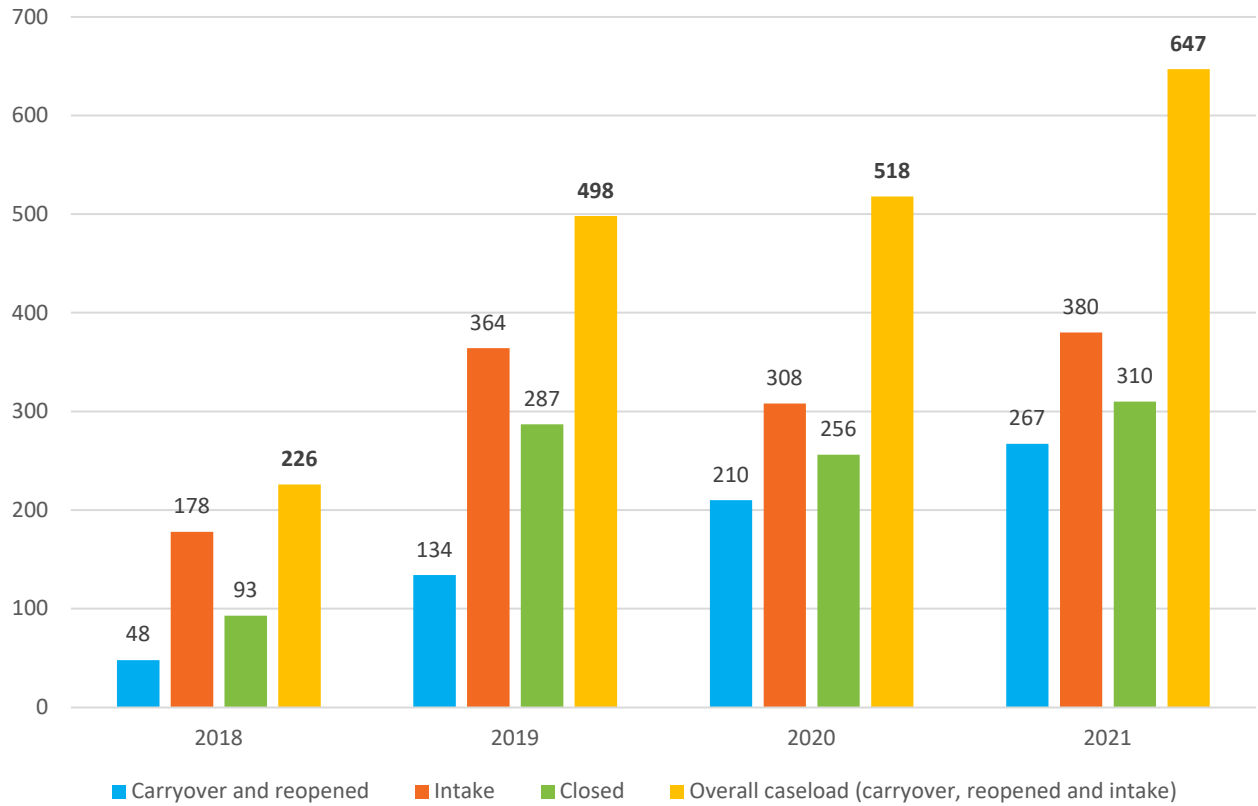
42%

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"> <li>• Internal auditor</li> <li>• Auditee</li> <li>• Stakeholders (ED, Board, AAC)</li> </ul>	<ul style="list-style-type: none"> <li>• Internal auditor</li> <li>• Client office</li> </ul>
<ul style="list-style-type: none"> <li>• Formal Audit Report</li> <li>• Subject to public disclosure</li> <li>• Less risk on independence and objectivity</li> <li>• Resources: type/number easier to estimate</li> <li>• Less Agile</li> </ul>	<ul style="list-style-type: none"> <li>• Formal or informal contributions</li> <li>• Not subject to public disclosure</li> <li>• Care to ensure independence and objectivity</li> <li>• Resources: SME /number difficult to estimate</li> <li>• More Agile</li> </ul>

**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](http://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