

Agenda Item 11

UNICEF Office of Internal Audit and Investigations 2022 annual report to the Executive Board

Chair,

I am speaking on behalf of the European Union as a donor.

We take note of the Office of Internal Audit and Investigations' annual report for 2022 and the Management response. We acknowledge the finding that the UNICEF framework of governance, risk management and controls was deemed generally adequate and effective. This is an important element of assurance for donors. So is UNICEF's continued commitment to promote a culture of integrity, transparency and accountability in delivering results for children.

We notice the increased number of cases of the investigations section. Given the issue of underreporting, we consider an increase in reported cases a positive sign reflecting trust in UNICEF's response to allegations. To maintain this trust, it is important that cases are dealt with swiftly and thoroughly. We call on Management to mobilize appropriate resources to cope with the increasing caseload and to maintain proactive, transparent information-sharing with the Board on oversight issues.

We welcome the fact that the OIAI prioritizes SEAH cases to ensure an appropriate victim/survivor-centred approach. However, we have observed that the strategic roadmap does not include any SEAH-related point. Given the importance of this topic, we would welcome to see this priority reflected in next year's strategic roadmap. We would also appreciate more information on which joint-up approaches UNICEF intends to put in place with sister agencies on SEAH-related topics.

We appreciate the detailed overview of the audit conclusions and resulting agreed actions and we take note of the implementation rate of the agreed actions from internal audits of previous years. We would welcome more information on the typology of the outstanding actions to complete the information provided in the report.

With regard to Programme management, we support Management's commitment to reinforce the process of humanitarian cash disbursements and use the lessons learned by other United Nations entities. We also welcome Management's acknowledgement that there is room for improvement regarding grant coordination, including timely, efficient and effective communication with donors.

We encourage UNICEF to prioritize improving its supply and logistics management as well as procurement and contracting protocols in order to mitigate the risks associated. It is important that UNICEF ensures a timely delivery of supplies and conducts a thorough end-user monitoring for supplies delivered by its implementing partners. We also support OIAI's recommendation to clarify accountabilities for working with national Governments in the allocation of funds to address child wasting. We would welcome an update on this issue at the next Board.

We welcome the appointment of a Chief Risk Officer in the Office of the Executive Director and look forward to the development of a multi-year roadmap detailing the emergency risk management strategy. With the significant increase in funding and staffing, it is crucial that a solid emergency risk management framework is put in place at all levels of the organisation. We suggest periodic exchanges between the Chief Risk Officer and the Board.

We note with concern the financial loss substantiated by OIAI in 2022 and we encourage UNICEF to take serious remedial action and recover losses. We would like to reiterate that the EU, in the context of its zero tolerance policy, remains fully committed to the fight against any form of fraud and corruption and expects all its partners to align with it. In that regard, we invite UNICEF to continue with proactive communication to donors as soon as allegations concern activities they are supporting.

Thank you.