Office of Internal Audit and Investigations (OIAI)

Working towards a culture of integrity

Stephen Zimmermann, Director
Governance, Authority and Responsibilities

Mandate
• Current Charter adopted in 2021, after presentation to the Executive Board
• It codifies the principles and arrangements for maintaining functional and operational independence

Access to Information
• OIAI has unrestricted access to information within UNICEF to exercise its duties and mandate.

Reporting
• OIAI Director Reports to the Executive Director
• OIAI reports annually to the Executive Board through its annual report
• OIAI provides an ‘Annual Opinion’ on the adequacy and effectiveness of the organization’s framework of governance, risk management and controls
• Flexibility to interact with the Executive Board, including closed briefings since August 2022

Scope of Work
• OIAI independently determines what to audit and what to investigate
• Management can review OIAI decision not to investigate
• OIAI independently determines content of audit and investigative reports and related findings

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## Governance, Authority and Responsibilities

### Quality Control
- OIAI had favorable external reviews of both its audit and investigations functions
- The Audit Advisory Committee (AAC) provides an annual opinion on the independence and work of OIAI

### Staffing
- OIAI independently selects and hires staff as needs arise and resources permit
- Staff are not subject to rotation or similar limits on time in post

### Tenure
- Director has a fixed term five-year appointment, renewable once
- Selection is by the Executive Director

### 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
- OIAI’s workload and resources continue to grow alongside the rapid growth of UNICEF programmes
**Internal Audit Services**

<table>
<thead>
<tr>
<th>Assurance</th>
<th>Advisory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determined by OIAI</td>
<td>Mutually agreed by Office &amp; OIAI</td>
</tr>
<tr>
<td>Assessment of adequacy and effectiveness of governance, risk management and control</td>
<td>Advice or assistance, point of view or real-time insights</td>
</tr>
<tr>
<td>• Internal auditor</td>
<td>• Internal auditor</td>
</tr>
<tr>
<td>• Auditee</td>
<td>• Client office</td>
</tr>
<tr>
<td>• Stakeholders (ED, Board, AAC)</td>
<td></td>
</tr>
<tr>
<td>• Formal Audit Report</td>
<td>• Formal or informal contributions</td>
</tr>
<tr>
<td>• Subject to public disclosure</td>
<td>• Not subject to public disclosure</td>
</tr>
<tr>
<td>• Less risk on independence and objectivity</td>
<td>• Care to ensure independence and objectivity</td>
</tr>
<tr>
<td>• Resources: type/number easier to estimate</td>
<td>• Resources: SME /number difficult to estimate</td>
</tr>
<tr>
<td>• Less Agile</td>
<td>• More Agile</td>
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Together, they inform OIAI overall opinion

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Internal Audit Workplanning & Reporting

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 assessment of key risks and data analytics
- Independent periodic review/refresh of workplan
- Workplan approved by the Executive Director (after review by AAC)
- Effective January 2024, the annual audit workplan, risk assessment and resources will be presented to the Executive Board in closed briefings

REPORTING

- Initial summary of observations and subsequent draft report shared with auditees for feedback and ‘Agreed Actions’
- Final Report issued to Executive Director
- Opinion of Executive Director and Member State obtained (for country office audits) regarding potentially sensitive information, but final decision on disclosure is with OIAI
- Publication of final internal audit reports on www.unicef.org
- Agreed actions open more than 18 months are reported to the ED, AAC and the Executive Board.
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
Yearly overview of caseload

- **2018-2023**
  - Average yearly increase in caseload: 37%
  - Average yearly increase in closures: 48%
  - Increase in caseload: 304%

**Note:** Data for 2023 is preliminary and some figures may be adjusted following final review and validation.
Thank you.