2022 UNICEF financial report and audited financial statements and Management Response to the Report of the Board of Auditors

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UNICEF Comptroller

UNICEF Executive Board
Informal briefing – 22 January 2024
Item 10: UNICEF financial report and audited financial statements for the year ended 31 December 2022 and report of the Board of Auditors, and management response
Key Highlights for 2022

- Unqualified audit opinion on 2022 Financial Statements.
- Recorded significant voluntary contributions revenue of $10.02 billion (2021: $8.29 billion).
- Recorded a very high rate of implementation of audit recommendations.
- Issued first policy on Anti-Money Laundering and Countering the Financing of Terrorism.
- Sustained its response to the continued increase in humanitarian crises.
# 2022 Statement of Financial Performance

*For the year ended 31 December 2022*

## REVENUE

Total revenue of **$10.33 billion** (2021: $8.57 billion):
- significant proportion as earmarked contributions for crises response and continued contributions to pandemic recovery.
- Regular resources **reduced to $1.62 billion** (2021: $1.86 billion).

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>EXPENSES</th>
<th>NET SURPLUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue of $10.33 billion</td>
<td>Total expenses increased by 20% to $8.54 billion (2021: $7.14 billion) because of:</td>
<td>Net surplus was $1.85 billion (2021: $1.50 billion).</td>
</tr>
<tr>
<td>- significant proportion as earmarked contributions for crises response and continued contributions to pandemic recovery.</td>
<td>- increased programme delivery, with cash assistance of $3.38 billion as the largest category.</td>
<td>- Surplus represents mainly unspent Other resources (OR).</td>
</tr>
<tr>
<td>- Regular resources reduced to $1.62 billion (2021: $1.86 billion).</td>
<td>- management expenses decreased slightly to $0.46 billion (2021: $0.47 billion).</td>
<td></td>
</tr>
</tbody>
</table>

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## 2022 Statement of Financial Position
As of 31 December 2022

### Assets

- Total assets position stayed strong at **$18.98 billion** (2021: $19.03 billion)
  - Cash and investments of **$9.97 billion** (2021: $9.89 billion),
  - Contributions receivables of **$4.86 billion** (2021: $4.01 billion) as the major categories.

### Liabilities

- Total liabilities were **$6.62 billion** (2021: $8.70 billion), comprising mainly funds held on behalf of third parties for procurement services.
- Procurement services reduction of **$1.24 billion** due to COVAX arrangements execution.

### Net assets

- Total net assets increased to **$12.36 billion** (2021: $10.33 billion) mainly driven by **$1.85 billion** multi-year Other resources contributions.
### Upcoming Accounting Standards

<table>
<thead>
<tr>
<th>Standard</th>
<th>Year</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Instruments</td>
<td>2023</td>
<td>(significant impact)</td>
</tr>
<tr>
<td>Leases</td>
<td>2025</td>
<td>(significant impact)</td>
</tr>
<tr>
<td>Property &amp; Equipment</td>
<td>2025</td>
<td></td>
</tr>
<tr>
<td>Measurements</td>
<td>2025</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>2026</td>
<td>(completely changes the current accounting)</td>
</tr>
<tr>
<td>Transfer of expenses</td>
<td>2026</td>
<td></td>
</tr>
</tbody>
</table>
2022 UNBOA Report and Management Response

Highlights

- The audit opinion affirmed that the financial statements of UNICEF for the period present fairly, in all material respects, UNICEF financial position, performance and cash flows, in compliance with the International Public Sector Accounting Standards (IPSAS).

- The financial statements and the report of the Board of Auditors were:
  - Transmitted to the General Assembly in July 2023,
  - Examined by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) in October 2023, and
  - Considered by the Fifth Committee in November 2023.

- 30 audit recommendations were issued in 2022, nine of which were classified as Main (high priority).

- A detailed management response on the report of the United Nations Board of Auditors was provided (E/ICEF/2024/AB/L.2).
## 2022 UNBOA Report – Status of Implementation of Audit Recommendations

<table>
<thead>
<tr>
<th>Recommendations</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issued by United Nations Board of Auditors</td>
<td>55</td>
<td>22</td>
<td>23</td>
<td>30</td>
<td>130</td>
</tr>
<tr>
<td>Implemented as per 2022 UNBOA Report</td>
<td>54</td>
<td>22</td>
<td>21</td>
<td>-</td>
<td>97</td>
</tr>
<tr>
<td><strong>Outstanding as per 2022 UNBOA Report</strong></td>
<td>1*</td>
<td>-</td>
<td>2</td>
<td>30</td>
<td>33</td>
</tr>
<tr>
<td>UNICEF Closure requested</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>UNICEF Implemented/Closure requested Total</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>UNICEF Implemented (%)</td>
<td>98%</td>
<td>100%</td>
<td>96%</td>
<td>10%</td>
<td>78%</td>
</tr>
<tr>
<td><strong>Outstanding as per UNICEF Status</strong></td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>27</td>
<td>29</td>
</tr>
</tbody>
</table>


### UNICEF Status

**2019 Implementation of Datawarehouse Strategy (ICTD):** This initiative has multiple components and is being implemented by UNICEF in prioritized phases.

In Progress, Q1 2024

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Thank you