

Mr./Madam President, Executive Director Ms. Russell, and Distinguished Members of the Executive Board - Good afternoon.

It is my pleasure to address you, on behalf of my colleagues, on the 2023 annual report of the UNICEF Audit Advisory Committee, also referred as the AAC or the Committee.

In an era of permacrisis involving protracted conflicts, devastating climate change and difficult economic choices, UNICEF responded to 412 humanitarian crises in 2023, touching the lives of millions of children¹. Let me appreciate the tireless efforts of the UNICEF workforce for their outstanding services to the cause of children.

The AAC is mandated to advise the Executive Director on their governance, management, and oversight responsibilities, and inform the Executive Board through the annual report. It is a multi-disciplinary group of six independent professionals with expertise in organizational oversight, financial and risk management, and governance.

The AAC's 2023 work plan, aligned to its Charter, was delivered through three regular sessions, an informative field visit to the Eastern and Southern Africa Region, and virtual meetings as needed. Together they constitute the basis of this report, and Section VII lists our advice for the year under strategy and governance, risk management, and oversight. I will speak to the highlights.

On [strategy and governance](#), the Committee was informed that the recommendations of the Joint Inspection Unit (JIU) on the governance and oversight of the Executive Boards, including UNICEF, was being assessed by the Boards. With respect to the oversight committees, the AAC supports dual reporting to the Executive Board in addition to the Executive Director – a model already in practice in some specialized UN agencies. Pending the Board decisions, the AAC

¹ [Executive Director's Annual Report – para 15](#)

proposed (i) holding periodic private meetings between the AAC Chair and the Executive Director; and (ii) amending its charter to provide the AAC Chair free and unrestricted access to the President of the Executive Board. The Committee also advised acceleration of policy work on delegation of authority, artificial intelligence, anti-fraud, environmental and social safeguards, and furthermore succession planning. It remains concerned about the increasing donor conditionalities that risks projectization and constricts the ability of a decentralized organization to respond with agility.

Next, [on strengthening risk management](#), the Committee welcomes the Board's interest in Enterprise Risk Management (or ERM) in an increasingly complex risk landscape. The AAC advised UNICEF to involve the Board in finalizing its risk appetite and tolerance. Acceleration was advised in operationalizing ERM, building capacity in HQ and field, and producing insightful executive risk reporting. A robust anti-fraud policy framework with continuous monitoring systems is critical, given the disproportionately small value of reported annual financial losses² compared to the large programme throughput in difficult operating contexts.

Next, [on oversight matters](#), UNICEF will benefit from developing a combined assurance map. As a visual matrix of the key risks and all assurance providers who cover them, it will help identify assurance gaps and duplications, and minimize audit fatigue.

On the [internal audit and investigation's function](#), I will emphasize four points. **First**, the AAC welcomes the practice of closed briefings to the Executive Board, including on the workplan. The **second** is the need to disclose the internal audit 'assurance gap' to the Executive Director and Executive Board, particularly on the assurance deficits in information technology, and of the low/medium risk-ranked country offices. The **third** was to revise the language of the annual

² Financial losses to UNICEF in 2023 from 10 cases amounted to \$99,398 – [OIAI Annual Report – para 64](#)

opinion to mitigate risk of overstatement, which has since been considered in their latest annual report. And **fourth** on investigations, there is an urgent need for increased use of technology including artificial intelligence for faster intake assessment and proactive investigations.

On the evaluation function, the committee was pleased to note that its feedback was considered in the finalization of the new evaluation policy, and refers to three key advisory points. **First** is to incentivize a stronger evaluation culture through executive support to its results and including evaluation as a performance criterion for senior leadership. **Second** is to formulate a strategy to address three commonly espoused concerns of the regional evaluators relating to unpredictable funding, constrained capacity, and inadequate utilization of evaluation. And **Third** is to periodically assess the independence and effectiveness of the Regional Evaluation and strengthen the workplan coordination among all levels.

On the ethics function, the Committee advised acceleration in drafting its Charter after benchmarking with similar institutions and JIU reports, and inform its resourcing decisions.

The Committee had productive private sessions with the Board of Auditors, and the Ombudsman. While the Executive Director and the AAC could not meet in 2023 due to scheduling challenges, two open and extremely constructive conversations have already materialized in 2024.

Lastly, we appreciate the Committee Secretary, Mr. Sunil Raman for leading a pioneering secretariat function within the UN system. The recommendations of his study on the secretariat practices for 23 UN oversight committees were unanimously adopted by all its Chairs, and also shared with the Secretary General.

Mr/Madam President, Executive Director and distinguished Board Members, I thank you for your attention.