

# Overview of the functioning of UNICEF

Financial Oversight and Management

Orientation for the 2021 Executive Board members  
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# Governance and Oversight

## The Executive Board is the governing body of UNICEF.

- The UNICEF Executive Board has 36 members, elected for three-year terms with a regional allocation of seats: Africa (8 seats), Asia (7), Eastern Europe (4), Latin America and Caribbean (5) and Western Europe and Others (12).
- They are elected from among the member state representatives by the United Nations Economic and Social Council.
- It is responsible for providing inter-governmental support to and supervision of the activities of UNICEF.
- The Board meets three times each year, in a first regular session in January/February, an annual session in June and a second regular session in September.



## UNICEF internal and external oversight is conducted by various bodies, including:

- ACABQ
- Fifth Committee
- Internal Management Reviews
- Annual External Audit by UNBOA
- Internal Audit and Investigations
- Audit Advisory Committee
- JIU reviews
- Donor Reviews and Assessments

# Financial Regulatory Framework

The Financial Regulatory Framework is made up of the following key components:

- UNICEF Financial Regulations and Rules
- UNICEF Policies and Procedures
- International Public Sector Accounting Standards (IPSAS)
- Internal Control policy based on COSO Internal Control - Integrated Framework

## **Focus areas**

- Value for Money
- Enterprise Risk Management
- Regulatory Framework
- Transaction Level Monitoring
- Anti-fraud Strategy
- Results-based Reporting

# Management and Accountability

## Management

UNICEF is led by an Executive Director:

- Appointed by the Secretary-General in consultation with the Executive Board.
- The Executive Director is fully responsible and accountable to the Executive Board for all phases and aspects of UNICEF activities.

## Accountability

- Executive Director is fully responsible and accountable to the Executive Board
- All officials are accountable to the Executive Director for their actions. They may be held personally responsible and financially liable for the consequences of contrary actions.
- Officials may be required to reimburse UNICEF for financial losses as a result of their negligence or violation of framework.
- The administration of Financial Rules and Regulations is delegated to the UNICEF Comptroller

## Ethics

- Strong Ethics Office, policies and standards
  - UN Staff Rules, Standards of Conduct for International Civil Servants and Code of Ethics and UNICEF Financial Regulations and Rules
  - UNICEF Anti-Fraud Policy, UNICEF HR Manual, UNICEF Supply Manual
  - UN Policy on Gifts, UN Supplier Code of Conduct & related UNICEF instruction on Acceptance of Awards, Decorations, Gifts, Honours, Medals, etc.
- Management Reviews and Discussions
  - Global Management Team (GMT), Performance Reviews, Management committees
- Internal broad access to all policies, dashboards, audit reports, annual disciplinary report



# Types of Financial Resources

UNICEF is voluntarily funded with the following funding types:

## Regular Resources (RR)

Resources that are unrestricted and include pledges of voluntary contributions from governments and private donors, other governmental or intergovernmental contributions, donations from non-governmental sources, bank interest and other investment revenue and miscellaneous revenue.

## Other Resources - Regular (OR-R)

Contributions received which have been earmarked by donors for specific purposes and are hence considered restricted. The earmarking may be by country, geographic area, theme, project, sector etc.

### Other Resources (OR-R) Thematic –

OR contribution that can be spent flexibly within the funded Outcome or Focus Area.

### Other Resources (OR-R) Non-Thematic –

OR contribution that is restricted to a particular activity.

## Other Resources - Emergencies (OR-E)

These are contributions received in response to emergencies.

### Other Resources (OR-E) Thematic –

OR contribution that can be spent flexibly within the funded Outcome or Focus Area.

### Other Resources (OR-E) Non-Thematic –

OR contribution that is restricted to a particular activity.

# Background of Financial Planning Framework

- **Four-year Integrated Budget as part of the Strategic Plan**
- **Updated annual financial estimates per Financial Rules and Regulations – based on current year plus 3 future years.**
- **Midterm review of the Integrated Budget as part of the midterm review of the Strategic Plan**
- **Allows UNICEF to plan commitments prudently while pursuing medium-term objectives**

# Integrated Budget

- Budget categories

- Programme

- Institutional

- Special Purpose

- Country
- Global and regional

- Development effectiveness
- Management
- United Nations development coordination
- Special purpose: Capital investments

- Private sector fundraising

- Programme Regular Resources (RR) allocations:

- RR allocated according to formula based on three core criteria:
    - ✓ Gross national income (GNI) per capita
    - ✓ Under-five mortality rate
    - ✓ Child population
  - Minimum allocation: \$850k

# Executive Board Sessions

	First Session	Annual Session	Second Session
Strategic Plan with Integrated Budget			✓ Every 4 years
Mid Term Review		✓ 3 <sup>rd</sup> year of the Strategic Plan	
Updated Financial Estimates			✓ Annual
Country programme documents	✓	✓	✓
Audited Financial Statements	✓ 14 months following year end		
PFP Budget	✓		
PFP Financial Report			✓





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**Thank You.**

